

103

# HEARING ON PUBLIC/PRIVATE PARTNERSHIPS IN OLDER AMERICANS ACT PROGRAMS

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Y 4. ED 8/1:103-13

Hearing on Public/Private Partnersh...

## HEARING BEFORE THE SUBCOMMITTEE ON HUMAN RESOURCES OF THE COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES ONE HUNDRED THIRD CONGRESS

FIRST SESSION

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HEARING HELD IN WASHINGTON, DC, MAY 27, 1993

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### Serial No. 103-13

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Printed for the use of the Committee on Education and Labor



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## HEARING ON PUBLIC/PRIVATE PARTNERSHIPS IN OLDER AMERICANS ACT PROGRAMS

THURSDAY, MAY 27, 1993

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON HUMAN RESOURCES,  
COMMITTEE ON EDUCATION AND LABOR,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 9:45 a.m., Room 2257, Rayburn House Office Building, Hon. Matthew G. Martinez, Chairman, presiding.

Members present: Representatives Martinez and Molinari.

Staff present: Lester Sweeting, staff director/counsel; Dan Adcock, senior legislative assistant; Elizabeth Romero, staff assistant; and Lee Cowan, minority professional staff member.

Chairman MARTINEZ. I would like to call the meeting to order.

Let me begin by saying that all the written statements of everyone giving testimony today will be entered in the record in their entirety. The Chair would appreciate summarizations, wherever possible.

The reason we called this hearing is to receive testimony on eldercare public/private partnerships in the Older Americans Act program. I read the report. It is very short and very easy to understand. In the report, I was a little confused in that I have always been one who has favored public/private partnerships as a way of leveraging Federal money. In the report, on page 3, they indicate that because it was limited, the conclusions they came to may not be accurate, and I would tend to agree with that from my previous experience with private/public partnerships.

The report is only one of the things we hope to accomplish today. These enterprises are relatively new, but nonetheless, I believe the crucial service made possible by cooperative efforts to older Americans is a positive one.

These partnerships, in my estimation, serve two purposes. First, they help provide extra financial, personnel, and capacity resources to publicly-based Older Americans Act service providers. The measure in the GAO was not exactly that, in terms of people that they removed from the rolls of care by needy people to the Federal dollar that is provided. There are tradeoffs there, I am sure.

The second is that the public/private partnerships help private sector employees with the difficult responsibility of caring for both their own families and their elderly parents. The private sector companies that participate in these partnerships learn that the

aging network has an established capacity to deliver eldercare services to their employees.

Like all services to senior citizens, eldercare will only grow in importance as a result of the anticipated boom in our senior citizen population. If eldercare public/private partnerships are feasible, now is the time to encourage these enterprises by transplanting successful examples elsewhere.

To learn more about these successful examples, we will hear from representatives of three major corporations with a significant investment and involvement in eldercare public/private partnerships. The testimony of Deborah Stahl of AT&T, Ted Childs of IBM, and Barbara Katersky of American Express will show that their companies are on the cutting edge of eldercare partnerships.

Donna Phillips from the Montgomery County, Maryland, Area Agency on Aging will round out this panel by explaining how she built long-term relations with the private sector to improve her AAA's ability to provide elder services.

Although the enthusiasm and commitment of the private sector and the aging network is key to these partnerships, they cannot succeed without leadership. That leadership will come from a very good friend of mine for many years, Dr. Fernando Torres-Gil. I am honored that the first time he will testify on the Hill will be before this committee and under my chairmanship.

Dr. Fernando Torres-Gil, the Irishman from east LA, was sworn in as the very first assistant secretary for aging by Secretary Donna Shalala earlier this week. His testimony today, as I said, is his first congressional appearance as assistant secretary.

There was a time when it was difficult for us to introduce him: "acting," "soon to be," "will be," and as he described it, "want to be."

Dr. Torres-Gil is the first agency chief of the administration on Aging with the rank and status of an assistant secretary. Previously, the Commission on Aging was subordinate to other HHS assistant secretaries. The decision of President Clinton to elevate the importance of this position demonstrates his commitment to older Americans.

It is also important to note that Dr. Torres-Gil is the first and only assistant secretary presently serving at the Department of Health and Human Services. His expedited appointment and confirmation speaks volumes to the administration's desire for strong leadership on aging issues.

As the Chairman of the subcommittee with jurisdiction over the Older Americans Act, I look forward to working with Dr. Torres-Gil. Over the years, he has personally advised me on issues critical to our senior citizens. I remember way back to the day when I first ran for Congress, when he counseled me on critical issues of social security. I learned more about social security than I ever wanted to know.

These issues that he is concerned with are crucial to our senior citizens. All the members that are unfamiliar with his reputation, experience, and skills will find that he will be a brilliant, compassionate man. Dr. Torres-Gil will be an outstanding advocate for older Americans in the Clinton administration.

Finally, I want to welcome Eleanor Chelimsky, who is assistant comptroller general at the GAO. Ms. Chelimsky is head of the Program Evaluation and Methodology division and will tell us more about the GAO report. Ms. Chelimsky has testified to the subcommittee before, and we look forward to hearing her testimony today.

I would now like to turn to the ranking minority member for her opening statement, Ms. Molinari.

Ms. MOLINARI. Thank you, Mr. Chairman. I want to thank you for your leadership in convening this hearing. As we both know, with the demise of the Select Committee on Aging, the subcommittee is going to have to step up its review of issues involving the elderly. For the fact that you have done this in such a timely fashion, we are very grateful.

At this time, I would also like to welcome from New York City Barbara Katersky, one of our witnesses today, and Barbara Lepis, who is in the audience. Ms. Katersky, from the private side, and Mrs. Lepis, from the public side, together have been instrumental in the operation of New York City's private/public partnership in eldercare.

This partnership is one of the largest and most successful partnerships in the country, and it can be attributed largely to the hard work of these two people. I would also like to congratulate Ms. Katersky for receiving the Administration on Aging's award for business and aging leadership yesterday, for American Express' role in developing these innovative partnerships.

Mr. Chairman, I am looking forward to hearing the testimony of our witnesses today on the issue of these eldercare partnerships, because the idea of area agencies on aging working together in conjunction with the corporate sector to assist employees in caring for their elder relatives is indeed intriguing.

I think the concept is admirable, not just because these partnerships may turn a profit that can supplement scarce public funds but also because they serve a vital educational role that will have indirect benefits by getting the corporate world more involved in the growing plight of the elderly.

Thank you, Mr. Chairman. I look forward to hearing the testimony of all our participants today.

Chairman MARTINEZ. Thank you, Ms. Molinari.

We will begin our testimony today with Ms. Chelimsky.

**STATEMENT OF ELEANOR CHELIMSKY, ASSISTANT COMPTROLLER GENERAL, PROGRAM EVALUATION AND METHODOLOGY DIVISION, UNITED STATES GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY SUSHIL K. SHARMA, BETTY WARD ZUCKERMAN, AND DOUGLAS HSU**

Ms. CHELIMSKY. Thank you very much, Mr. Chairman. It is a pleasure to see you again. Good morning, Ms. Molinari. The last time we talked, I think, it was on our report on Hispanic access to health care, if you remember.

Chairman MARTINEZ. Yes.

Ms. CHELIMSKY. It is a pleasure to be here to report on the results of our study of public/private partnerships in the area of eldercare. Before beginning, I would like to present the people who

are here with me: Dr. Sushil Sharma, who is sitting here at my right, who directed the study and who heads up our work in the area of aging; and also Dr. Betty Ward Zuckerman, who is there, and Doug Hsu, from Denver, who also worked on our study.

We do not have a lot of good news about this. I will talk to you at length about the point you made about the accuracy of the study. I am not sure that was absolutely clear what we said there.

As you know, in agreement with the subcommittee, our evaluation asked four specific and fairly narrow questions. First, what proportion of area agencies on aging have in fact engaged in public/private partnerships? Second, what is the nature of these partnerships? Third, what are their financial results? And last, how are the profits from partnership services used?

If we are interested in the results of these public/private partnerships, it is largely because of the rationale that has been given for them, that they could produce profits that would then be used to the advantage of our disadvantaged elderly.

To answer the questions, our major approach was to administer a survey to the 655 area agencies on aging in the United States. We scoped our study to include partnerships in two areas: information and referral, I&R, and case management services. We scoped our work this way because these are the services most likely to lead to contracts and because these services constitute the bulk of partnership efforts.

We also reviewed the literature, interviewed experts and officials, and used available extant data. Our overall response rate was 97 percent. I should also mention that this evaluation constitutes the first empirical study, the first outcomes study, of this area. Here, then, are our findings.

First, only about 12 percent of the AAAs—that is, 75 out of 655 have in fact developed I&R or case management partnerships.

Second, as to the nature and scope, we found that most of the partnerships, 66 of the 75, use vendors to reach corporations needing services, and they tend to use three vendors in particular.

We found that information and referral services were vastly more common than case management services. The ratio was something like 9 to 1, in fact even greater than 9 to 1. We found that the types of services furnished under the two rubrics were very varied but that operations and activities were also very limited. Only four referrals, on average, per month, across all the partnerships. Finally, we found that existing AAA staff added these efforts to their regular public mission work.

Third, with respect to financial results, let me begin by addressing income. Here, we had a response rate of 74 percent. We determined that the median annual income for these partnerships was \$660. Only about 3 percent of our AAAs, that is 14, reported deriving more than \$2,700 annually from their partnerships. This is only income; it does not consider costs.

It is when we started adding in the costs that we were concerned, because we only had responses for 41 percent. But for income, which shows a ceiling, we have a 74 percent. So we are not concerned about the accuracy of the income. That tells you already that the costs, if they are going to be more than that very small

income, are already going to be giving you a loss, which is a real problem in this area.

When we did consider costs, so as to calculate the profits that were actually being generated by these partnerships, we found that the median net profit for the AAAs reporting these data was zero. For those 15 AAAs that did report a net profit, the median was an annual \$598. So not much revenue seems to have been recovered by the AAAs that could have been used for other activities. Finally, the few AAAs that did generate net profits used them for general purposes. Only two reported using them to enhance targeting of low-income or minority elderly.

In summary, we found that partnerships are not widespread. Their activities have been modest. They mostly have not generated profits. When they have, the resources have not been used for better assisting disadvantaged elderly.

I reached four conclusions from these findings. First, the current implementation of public/private partnerships is too weak to expect major effects on profits or income of any sort. Therefore, these partnerships are still very far from meeting their goal of generating sizable profits. In fact, it is touch and go as to whether they can even pay their own way.

I wish I could say that this is because it is too early and because we have evaluated too soon. Unfortunately, 45 of the 75 partnerships were 4 to 6 years old. Four to 6 years old is plenty of time to generate whatever they are going to generate.

Second, whatever small revenue is being generated is not being used to help low-income or minority elderly. Third, because the AAAs use their existing personnel to service the partnerships, they may actually be reducing, rather than increasing, the resources currently available to those disadvantaged elderly.

Finally, to me, these findings raise questions about the appropriateness of these partnerships, in the context of the Older Americans Act's public mission. First, they clearly have not been successful in fulfilling the legislative purpose of generating new money. Second, they involve the AAAs in service delivery, rather than in coordination. Third, they seem to be reducing the staff time available to the disadvantaged elderly. Finally, when net losses are involved, as we found in three cases, this creates a circumstance in which public funds can, in fact, end up subsidizing private contracts.

Why is it important to target resources on the disadvantaged elderly and not to permit leakages? First, because it is the law, but also because there is so little money to go around these days. The AOA has a budget of under \$1 billion, and we have 30 million elderly in this country.

An important minority of the elderly, around 6 million, remain caught in a culture of poverty. It is true that many elderly have achieved a financially comfortable old age but not all of them; 20 percent are poor or near poor. Indeed, the extraordinary success of the larger group makes the plight of those who have not shared in that success especially painful. Their problems are often forgotten or assumed away in the general euphoria about elderly affluence.

This makes it all the more important that the Administration on Aging's resources, Mr. Chairman, be tightly targeted, used as efficiently as possible, and never wasted.

That concludes my remarks, Mr. Chairman. I would be happy to answer any questions you or the committee may have.

[The prepared statement of Eleanor Chelimsky follows:]

Statement of Eleanor Chelimsky, Assistant Comptroller General  
Program Evaluation and Methodology Division

Good morning. It is my pleasure to appear before the Subcommittee to present our recently completed work on public-private partnerships established between area agencies on aging and private corporations. These arrangements have been encouraged by the Administration on Aging (AOA) as a potential source of additional funding for aging services. Accordingly, my testimony today focuses on the partnerships' nature, extent, and financial results.

Before detailing our findings, I will sketch the organization of aging services under the Older Americans Act and the context for the effort to pursue funding via public-private partnerships. The Older Americans Act, or OAA, was first passed in 1965. As you know, the act was intended to provide grants to states for the development of new or improved programs specifically designed to meet the special needs of persons aged 60 and over. Today, the programs under the act provide the major vehicle and only national network for the organization and delivery of social, nutritional, and other supportive services to older persons. This "aging network" consists of the

Administration on Aging, or AOA, and its 10 regional offices; 57 state and territorial units on aging; 670 area agencies on aging; and nearly 25,000 local service providers.

Since the initial passage of the Older Americans Act in 1965, the mission and constituency of the aging network have expanded considerably, due partly to growth in the number and

proportion of Americans over age 60 and partly to legislative expansion of the objectives of the Older Americans Act. Between 1965 and 1990, the number of Americans in the 60-plus age group grew by 16.3 million, increasing from 13 to 17 percent of the population. This expansion of the aging network's target population has been accompanied by the addition or articulation of goals for the aging network so that the OAA now includes separate authorizations for supportive services; nutrition services; in-home services for the frail elderly; health education and promotion services; elder abuse prevention; long-term care ombudsmen; and outreach activities to persons eligible for assistance under the Supplemental Security Income, Medicaid, and Food Stamp programs.

However, even putting aside the recent expansion of the aging network's target population and legislated mission, its funding has never been sufficient, especially over the last decade, to serve the entire elderly population as intended by the Older Americans Act. In particular, our previous work has documented the fact that the resources required to carry out AOA's mission have not kept pace with recent changes in the agency's functions.

One result of this combination of shrinking resources and growing demands has been a search by the aging network for additional sources of funding. This has led to attempts,

encouraged by AOA, to attract private funding for aging services by marketing particular eldercare services to private corporations as potential employee benefits. Such arrangements are embodied in contractual relationships, called public-private partnerships, between private corporations and area agencies on aging, also known as AAAs. In these partnership agreements, AAAs provide certain eldercare services to private employers or vendors, who in turn offer this assistance to corporate employees with caregiving responsibilities for elderly dependents. Although the Administration on Aging promoted the establishment of public-private partnerships for eldercare services between AAAs and private corporations, the actual agreements were made by the affected parties.

Some persons have criticized these partnerships on the grounds that they detract from one of the main purposes of the OAA; that is, that in the provision of services, preference should be given to serving older individuals with the greatest economic and social needs, with particular attention given to low-income minority individuals. For example, in planning and providing comprehensive programs in such areas as in-home services and transportation, AOA is mandated to give special consideration to elderly people who are poor or have special needs. However, proponents of these partnerships point out that the partnerships generate income for the AAAs that can then be used to provide additional services to the most disadvantaged

elderly persons. At issue, then, is whether public-private partnerships do provide resources to the AAAs, and whether the AAAs use these resources to reduce the gap between shrinking funds and the growing demand for AAAs' services. To help resolve these questions, you asked us to describe both the extent and nature of these partnerships as well as the degree to which they have resulted in either additional funds for public services or other advantages for the aging network.

To meet these objectives, we reviewed the limited literature on public-private partnerships, administered a survey of area agencies on aging, visited sites in New York City and Los Angeles, and interviewed aging-network officials and experts. Based on discussions with your staff, we narrowed the scope of our study to those AAAs using a public-private partnership to provide either enhanced information and referral or case management services, or both. We chose to focus on these services because they require more intensive activity on a continuing basis than other eldercare services, because they were typically thought to generate revenues, and because they comprised the bulk of eldercare services offered through such arrangements.

Our survey of AAAs was conducted between March and December 1992 using a combination of our own surveys and results from a recent survey performed by the National Association of Area

Agencies on Aging (NAAAA). By combining the surveys, we obtained questionnaire responses from 97 percent of the 655 AAAs in the United States indicating whether they provided any of these eldercare services through a public-private partnership and, for those that did so, specific information about their partnerships.

Our findings address four questions:

- What proportion of AAAs report engaging in public-private partnerships?
- What is the nature and scope of these arrangements?
- What are the financial results of such partnerships? and
- How are any profits from partnership services reportedly used?

According to our survey respondents, only 75 AAAs--less than 12 percent--have entered into public-private partnerships to provide enhanced information and referral or case management services. These AAAs with partnerships are geographically dispersed, with some clustering around the Great Lakes region. None of the partnerships began earlier than 1987.

Most of the AAAs with partnerships (66 of 75, or 88 percent) had an arrangement with a vendor. That is, the AAAs have provided their services to employers by using a vendor to act as a go-between and a referral source. All 66 partnerships

involving vendors were associated with three firms: Work/Family Elder Directions, the Partnership Group, or Working Solutions. Only five AAAs had partnerships directly with employers, while four had partnerships with both vendors and employers.

During our review, we found that the nature of services provided to employers or vendors through these 75 partnerships was quite varied. AAAs were far more likely to provide enhanced information and referral services, which were offered by 93 percent of those with partnerships, than to provide case management, offered by less than 10 percent. Counseling was provided by 54 percent of the 75 partnerships. We also found that 37 percent of the AAAs with partnerships provided additional services through arrangements with insurance companies or other vendors. The primary service provided under these arrangements was client health assessment; that is, health assessments of older people were performed to assist insurance companies in determining client eligibility for long-term care insurance.

Overall, the operations of these partnerships were limited in scope and reflected a modest level of activity. Among the 68 AAAs with partnerships that provided referral data, the average number of reported referrals was only four per month. Of more importance, perhaps, is the fact that 79 percent of these AAAs reported using existing staff to provide the services, thus

diverting some staff resources from the primary goals described by OAA.

This modest level of activity generated relatively little income. For the 56 AAAs that had partnership contracts in 1991 and reported data on income, the median income generated was \$660. Three out of every four received less than \$2,700. The remaining 25 percent received revenues ranging from \$2,700 to \$155,000. Stated in terms of the experience of all AAAs that responded to our survey, about 2 percent (14 of 635) reported both engaging in a public-private partnership for the delivery of eldercare services and deriving more than \$2,700 in income from the partnership.

As I stated earlier, proponents of public-private partnerships have suggested that they can generate profits that may then be used to supplement shrinking resources for public services. By 1991-92, among the 31 AAAs that reported income and expense data, over half had realized no net profit through their eldercare partnerships to support additional public services. For these 31 AAAs reporting both income and expenses associated with eldercare services provided through partnerships in fiscal or calendar year 1991, the median net profit was \$0. Fifteen (15) of these reporting AAAs showed a net profit, 13 broke even, and 3 reported losses. The median net profit for the 15 AAAs reporting a net profit was \$598. Although start-up expenses might mask the

potential profitability of these partnerships, 63 percent of responding AAAs indicated that their first contract had been signed in 1989 or earlier. Thus, most of the reporting partnerships did not meet the goal of generating additional resources that could finance activities more central to the AAAs' mission.

Nevertheless, we asked those AAAs that generated net profits what use was made of the added funds. Of the 15 AAAs that reported income exceeding expenses, 11 responded, with 5 reporting that they used these funds for maintaining or increasing services for the public, 4 that they used them for general administrative purposes, and 2 that the funds were used to maintain or increase services targeting low-income minority elderly. Thus, even the few AAAs that generated profits indicated that the funds were usually used for purposes more general than enhancing or maintaining services targeted to the low-income minority elderly.

In summary, relatively few AAAs have entered into public-private partnerships for the provision of enhanced information and referral or case management. Among those that have done so, the scope of the partnerships is quite limited, with a reported average of 4 referrals per month. More often than not, they resulted in no additional income for AAAs that reported related receipts and expenses. The fact that most reporting partnerships

failed to generate additional financial resources is particularly important because the purpose of undertaking these additional activities was to increase financing for services more central to the AAAs' mission. However, most of the AAAs that engaged in these partnerships did not report deriving sufficient income from them to support additional services for the primary target populations covered by the Older Americans Act. Moreover, AAAs with public-private partnerships typically reported using existing staff to provide services to those referrals they received, thereby actually reducing the resources available for AAAs' primary mission.

Mr. Chairman, this concludes my remarks. I would be happy to answer any questions you may have.

(973780)



United States  
General Accounting Office  
Washington, D.C. 20548

Program Evaluation and  
Methodology Division

B-249737

April 16, 1993

The Honorable William D. Ford  
Chairman, Committee on Education and Labor  
House of Representatives

The Honorable Matthew G. Martinez  
Chairman, Subcommittee on Human Resources  
Committee on Education and Labor  
House of Representatives

The Honorable William J. Hughes  
House of Representatives

The Older Americans Act (OAA), first passed in 1965, was established to provide assistance through grants to the states in the development of new or improved programs specifically designed to meet the special needs of our nation's elderly (that is, persons aged 60 and over). Today, the programs under the act provide the major vehicle and only national network for the organization and delivery of social, nutritional, and other supportive services to older persons. This "aging network" consists of the Administration on Aging (AOA) and its 10 regional offices, 57 state units on aging (including territories), 670 area agencies on aging (AAAS), and nearly 25,000 local service providers throughout the nation.

When the Older Americans Act was passed, 26 million Americans were aged 60 or older, representing about 13 percent of the population. By 1990, their number had grown to 42.3 million, about 17 percent of the population. An estimated 83 million people will be 60 or over by the year 2030, and they will then represent nearly 28 percent of the population. Whatever the population increase, however, AOA funding was never sufficient, especially over the last decade, to serve the entire elderly population as intended by the OAA. While both the mission of AOA, as mandated under the OAA, and the number of elderly have grown, the resources required to carry out that mission have not kept pace.<sup>1</sup>

One result of these contradictory forces of shrinking resources and growing demands has been a search by the aging network for additional sources of funding that in turn has led to the creation of contractual relationships between AAAS and private corporations, called public-private

<sup>1</sup>The Administration on Aging: Harmonizing Growing Demands and Shrinking Resources (GAO/PEMD-92-7, Feb. 12, 1992).

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partnerships. The AAAS provide certain eldercare services to private employers under partnership agreements. Some persons have criticized such arrangements on the grounds that they detract from one of the main purposes of the OAA; that is, that in the provision of services, preference should be given to older individuals with the greatest economic and social needs, with particular attention given to low-income minority individuals. Proponents of these partnerships suggest that they generate income for the AAAS that can then be used to provide additional services to disadvantaged elderly persons. At issue, then, is whether public-private partnerships do provide resources to the AAAS and whether the AAAS use these resources to help them reduce the gap between shrinking funds and growing demands for AAAS' services.

You asked us to describe (1) the extent and nature of these partnerships, and (2) the degree to which they have resulted in either additional funds for public services or other advantages for the aging network.

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## Background

More Americans are living longer than ever before owing to improvements in living conditions and advances in medical care. Old age is often accompanied by the development of chronic health problems, such as heart disease, arthritis, and other ailments. These chronic conditions, as well as other complications associated with old age, often result in the elderly being dependent on their children or other family members as caregivers. As more and more adults become caregivers in an environment of increasing health care costs, employers have responded through changes in employee benefit packages. Some employers are providing informational and supportive services to employees to help them care for older relatives and, in some cases, public-private partnerships result.

The Administration on Aging promoted arrangements for public-private partnerships between AAAS and private corporations for the purpose of providing employees with specific eldercare services.<sup>2</sup> The actual arrangements, however, were made by the affected parties.

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## Scope and Methodology

Our methodology consisted of reviewing the literature, administering a survey, visiting sites in New York City and Los Angeles, and interviewing aging network officials and experts. Based on discussions with your staff, we narrowed the scope of our study to those AAAS providing either

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<sup>2</sup>Other eldercare services being provided through partnerships include seminars, workshops, information and referral, and caregiver support groups.

enhanced information and referral or case management services, or both, through a public-private partnership because these services (1) require more intensive activity on a continuing basis than do other types of eldercare services, and (2) were typically thought to generate revenues. We defined enhanced information and referral services to include conducting an intake assessment with an employee to identify caregiving problems, providing names and phone numbers of community resources, and conducting extensive follow-up such as counseling, checking on service eligibility, and calling the employee back to verify that the elderly relative received the service. We defined case management as the process of providing professional assessment of an older person's needs and developing an individualized care plan that specifies the types of community services that should be available to the older person.

We first researched the limited literature on public-private partnerships. We then surveyed AAAs using a combination of our own surveys and results from a recent survey performed by the National Association of Area Agencies on Aging (NAAAA).<sup>3</sup> By combining the surveys, we obtained questionnaire responses from 635 of 655 AAAs (a 97-percent response rate)<sup>4</sup> concerning whether they provided any of these eldercare services through a public-private partnership, and for those that did so, specific information about their partnerships.

We conducted our study between March and December 1992 in accordance with generally accepted government auditing standards.

## Results in Brief

By 1991-92, only a small portion of AAAs had entered into public-private partnerships. Most of the AAAs with such partnerships that provided financial data on them were not generating enough profits through these arrangements to finance significant amounts of additional services.

<sup>3</sup>At the time we began our review, NAAAA had just completed a survey asking AAAs about public-private partnerships and made the results available to us. We classified AAAs that reported to NAAAA that they had no public-private partnerships as not having such partnerships. We followed up all nonrespondents with a short questionnaire to determine whether they met the NAAAA's criteria for a public-private partnership and eventually obtained this information for 100 percent of the 555 AAAs. Those indicating they had public-private partnerships on either the NAAAA's survey or our short survey were mailed a longer questionnaire. Of the 138 AAAs receiving the longer survey, 118 responded (85 percent). Of these, 75 had public-private partnerships as defined by us, while 43 met the NAAAA's criteria, but not ours (often this meant that they had provided some service to a private organization, but did not have any contractual relationship with the private group). In total, we received survey data on 635 of the 655 AAAs; the 20 nonrespondents were AAAs who did not respond to our longer survey.

<sup>4</sup>The number of AAAs in our universe, 655, is slightly lower than the previously cited figure of 670 because it does not include AAAs outside the 50 United States, such as in Puerto Rico and Guam.

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Moreover, AAAS with partnerships reported typically using existing staff to provide services to those referrals they received. Of the 31 AAAS that reported both income and cost data for eldercare services provided in 1991, the AAAS had a median net profit of \$0. Fifteen showed net profit generated from the partnerships, 13 broke even, and 3 reported net losses.

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## GAO's Analysis

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### Few Partnerships Exist

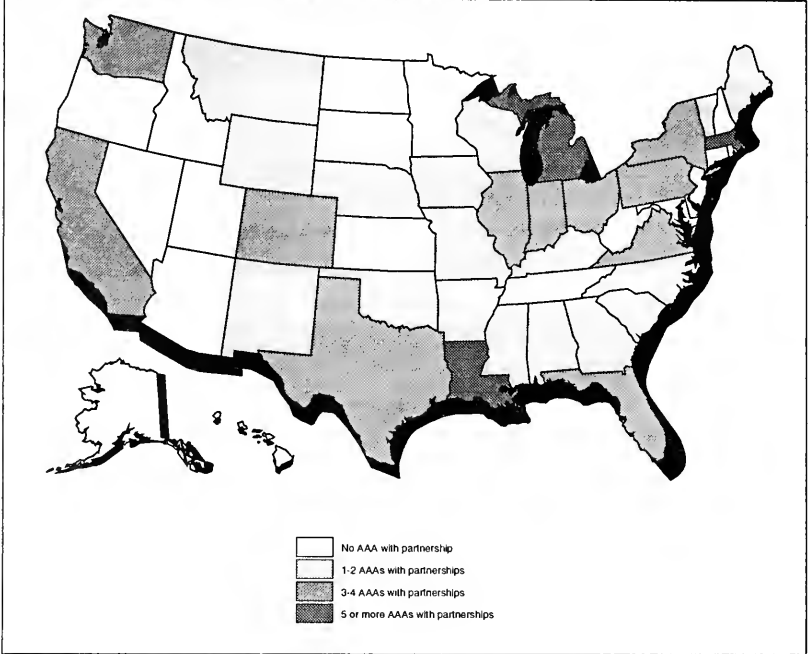
Few AAAS—less than 12 percent—have entered into public-private partnerships to provide enhanced information and referral or case management services. For the 75 AAAS that report providing these services, the partnership appears to represent a modest level of activity. Of the 56 AAAS reporting income data, the median income generated in 1991 was \$660.

About 88 percent of the 75 AAAS in public-private partnerships provide services to employers through a vendor, who acts as an intermediary. All 66 partnerships involving vendors were with three firms: Work/Family Elder Directions, the Partnership Group, or Working Solutions. Under these arrangements, the vendors act as a referral source. Another five AAAS have partnerships directly with employers, and four AAAS have partnerships with both vendors and employers.

The AAAS with partnerships are geographically dispersed, with some clustering around the Great Lakes region, as shown in figure 1. All of the partnerships started in or after 1987.

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Figure 1: Number of AAAs With Public-Private Partnerships, by State



## Partnership Services

During our review, we found that these 75 partnerships provided a variety of services to employers or vendors. AAAs were much more likely to provide enhanced information and referral services (70 out of 75) than to provide case management (7 out of 75). AAAs providing enhanced information and referral services were especially likely to report

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furnishing these services: names and phone numbers of community resources (99 percent), written confirmation of referrals (84 percent), callbacks to see if services were received (75 percent), checks on service eligibility and availability (71 percent), and intake assessments conducted with the employee (69 percent). Counseling was less often provided (54 percent).

The seven AAAS that provided case management services typically reported providing most or all of the services we listed: developing individualized care plans, specifying types of community services that should be made available, arranging for services, conducting periodic monitoring of the care plan, and conducting periodic reassessments of the care plan.

We also found that 28 of the 75 AAAS provided services other than eldercare services, through contractual arrangements with insurance companies or other vendors. The primary service provided under these arrangements was client health assessments; that is, health assessments of older people were performed to assist insurance companies in determining client eligibility for long-term care insurance.

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### Scope of Partnership Is Generally Limited

Overall, the operations of these partnerships are limited in scope among those AAAS who reported. Among the 68 AAAS with partnerships providing data, the average number of reported referrals was four per month. Of the 56 AAAS reporting income from partnerships, the median income generated in 1991 was \$660. Seventy-nine percent of the AAAS reported using existing AAA staff to provide these services.

Of the 56 AAAS that had partnership contracts in 1991 and reported data on income, 75 percent (42) received less than \$2,700 in 1991 for partnership services. Income ranged from none to \$2,664. The remaining 25 percent (14) received revenues ranging from \$2,664 to \$155,000.

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### Partnerships Have Not Produced Profits

Proponents of public-private partnerships have suggested that they can generate profits that may then be used to supplement shrinking resources for public services. By 1991-92, among the 31 AAAS that reported income and expense data, over half had realized no net profit through their eldercare partnerships that could support additional public services. Of the 31 AAAS reporting both income and expenses associated with eldercare services provided through partnerships in fiscal or calendar year 1991, the median net profit was \$0. As shown in table 1, 15 AAAS showed a net profit,

13 broke even, and 3 reported losses. The median net profit for the 15 reporting a net profit was \$598. Although start-up expenses might mask the profit potential of these partnerships, 63 percent of responding AAAS indicated that their first contract had been signed in 1989 or earlier.

Table 1: Net Profits or Losses for Public-Private Partnerships\*

| Outcome          | Number of AAAs | Median net profit or loss |
|------------------|----------------|---------------------------|
| Generated profit | 15             | \$598                     |
| Broke even       | 13             | 0                         |
| Reported a loss  | 3              | -1,240                    |
| <b>Total</b>     | <b>31</b>      | <b>0</b>                  |

\*Fiscal or calendar year 1991

The low proportion of partnerships providing income and expense data (31 out of 75 AAAS, or only 41 percent) raises the question of whether there is a bias in the responses. If there is a bias, the results from the full group could differ from those shown here. In addition, it is likely that the AAAS made different decisions about how to estimate income and expenses, especially in allocating expenses associated with partnerships. In our questionnaire, we asked AAAS to report on their income and expenses associated with their public-private partnerships work. We later combined these responses to calculate the net profit or loss. Although we performed certain completeness and consistency checks on the reported data and deleted some cases as a result, we did not otherwise verify the data.

Public Service Use of Increased Revenues

We asked AAAS that generated net profits what use was made of the added funds. Among the 15 AAAS that generated revenues, 11 responded, reporting they used these funds for maintaining or increasing services for the public (5 AAAS), general administration (4 AAAS), or maintaining or increasing services targeting low-income minority elderly (2 AAAS).

Agency Comments

We discussed the results of our work with responsible AOA officials, who generally agreed with our findings and brought some clarification to the potential response-bias issue. We were told that our findings conformed with agency officials' expectations: Their view is that very little income is being generated through such partnerships. Because of the general agreement, we believe that written agency comments were not necessary in this instance.

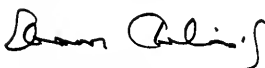
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Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to the Director of the Office of Management and Budget, the Secretary of Health and Human Services, the U.S. Commissioner on Aging, and other interested parties.

If you have any questions or would like additional information, please call me at (202) 512-2900 or Robert L. York, Director of Program Evaluation in Human Service Areas, at (202) 512-5885. Other major contributors to this report are listed in appendix I.



Eleanor Chelimsky  
Assistant Comptroller General

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## Major Contributors to This Report

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### Program Evaluation and Methodology Division

Sushil K. Sharma, Assistant Director

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### Denver Regional Office

William F. Laurie, Project Manager  
Douglas C. Hsu, Evaluator  
Felicia P. Turner, Computer Analyst

Chairman MARTINEZ. Thank you. I was just having a little discussion with my staff because, in my memory of the history of this and the legislation, we had a demonstration project in the legislation that was passed. That is how we came about it. It was at my insistence or offering that it was brought about.

When I was thinking of this thing, I was thinking in terms of service, not dollar profit. Even as I read your report, in terms of service, I am figuring a couple of things. One is that the people who are serviced by corporations, even though they are their employees, are people who are not going to need to be serviced by that other dollar. I am wondering, did you take that into consideration when you measured? When you measure profit, it is not always just a dollar return but a result return that has to be included. We do that in almost everything else we do.

Ms. CHELIMSKY. Right. That question was not part of our study. As I said, the study was scoped quite narrowly to answer the four questions that we had. We did not do that. I think that would be a doable thing to do, to take a look at that and see actually what might be the indirect effects, taking away that population from the larger to be served. That could certainly be looked at.

Chairman MARTINEZ. The other benefit from this is that for a lot of those people who may be corporate employees, the corporation is putting up the dollar that is really providing the education to them for what services are available and are actually advising him now. One of the things that never ceases to surprise me is that people in the corporate world, whom we imagine are on top of everything and know everything that is going on, really do not know all of the services that are available.

This is also true for the government itself. I heard a statistic the other day that there are 125 different programs to serve one need. If you look across the board at a lot of other services we are providing for people, you will find likewise that there are numerous different agencies and different programs to serve the basic needs of one type of individual.

In that regard, when I think of the fact that these corporate people are getting an education on corporate dollars, to make them aware of the services that are available to their elderly people or when they might become elderly and need those services. This is a great service that has to be measured in some way toward whether we define profit and whether it is cost effective or not.

It was probably our fault. Even though I was thinking that way when we started this program, I did not include that in the question and probably should have.

Ms. CHELIMSKY. Sir, from our point of view, looking at what we looked at and not, of course, what we did not look at, which as you have just said is an important issue, what I think seemed important to us was the question of the mission of the AAAs, the AOA, and the Older Americans Act.

What you are saying is absolutely right. That kind of education is extremely important. Particularly the problem of people of middle age now who have so many generations to take care of has just hit us. We need to look at that.

The question is, given the small funds of the AOA, given the enormous number of people that they have to look after, the issue

we see is that it moves them away from the coordination function, which has always been their role, into possibly a service delivery role and only to a certain group of people.

What concerns me most is that 6 million disadvantaged elderly that we have had so much trouble tracking, identifying, and serving. We have looked at the ability to find those people. It is always very difficult. My concern is that there is so little money.

There are cheaper ways to do these things as well. It may not be necessary to go through the route of public/private partnerships in order to be able to make CEOs aware of the problems of the elderly and what is available to them in their areas.

Chairman MARTINEZ. I share your concern. No one is more aware of the fact that we need to target certain populations that do not have services available to them through any other resources than what the Federal Government provides.

I have to be honest with you. In the beginning, I envisioned that somehow, in our quest to develop these partnerships, there would come forth from the corporations more than just servicing their own employees. Their contribution would be such that it would leverage the resources that the Federal Government gives to these agencies. It is probably because of my experience with community development corporations, where that money is leveraged 10, 15, or 20 times over again.

Ms. CHELIMSKY. Yes, but I do not think that is going to happen in this case. If we continue with them, we should base the rationale on other things. I do not think it is really very hopeful that we will be generating profits. It is too long a time now.

We only found 75, and that is another point I would like to bring up. It is the question of what makes a success for some of these and what makes a non-success. Would four referrals the month, across 75? That is not a lot of activity.

What concerns me is why some of them have a lot of activity. I think perhaps when you look at one of them in a big urban area, you see that there are so many corporate headquarters that are available to them. When you go to the rural areas, they do not have the same possibilities. So there may be some analysis that needs to be done about what makes a particularly good one of these to copy.

Chairman MARTINEZ. Let me just ask you one question, since you bring up the point of the 75. Did I read the report wrong? The only data that were provided were on 31 of the 75?

Ms. CHELIMSKY. Oh, no. That is wrong. The data for all things, other than costs, were provided for all the 75 or for 66 of the 75 or 56 of the 75.

Chairman MARTINEZ. But the income and expense data were only on 31 of them?

Ms. CHELIMSKY. No. That is the point I was trying to make. That is not clear from the report. I looked at it myself and said, "For God's sake, it looks as if we only had a 41 percent response rate on the whole thing." That is not right.

It is only for the costs. That is why you need not worry about the accuracy of it. We know what the ceiling is.

Chairman MARTINEZ. I am glad you cleared that up, because that was the impression I was left with in reading the report.

Ms. CHELIMSKY. That is wrong. I went through the data myself. It is not right. Sorry about that.

Chairman MARTINEZ. In the report, I made several notes on the report as I was reading. The way the private corporations developed their programs to deliver those services to their corporate employees, it seemed to me like almost a model of what we should be doing anyway. It did not seem that in all cases, in all AAAs, it was being done that way.

Ms. CHELIMSKY. Exactly.

Chairman MARTINEZ. On page 6, in the second paragraph on the page, the seven AAAs that provided case management services typically reported providing most or all of the services we listed: developing individualized care plans, specifying types of community services that should be made available, arranging for services, conducting periodic monitoring of the care plan, and conducting periodic reassessments of the care plan.

That sounds like an ideal kind of situation. Maybe that is one benefit that comes if the AAA that is involved starts developing their particular plan along the same line. Would you care to comment on that?

Ms. CHELIMSKY. I think absolutely, one of the things I would recommend to the AOA is to take a look at what are the factors in the ones that work. There must be some that work—I have no doubt of that—in other ways than in producing profits. The issue is that to have an average of four referrals per month, it means that some have had a lot more than four because that is the average.

The issue is, what should they be delivering, how should they be delivering it, and what makes for a strong program? I think those questions need to be looked at very carefully.

Chairman MARTINEZ. There is another portion of the report that gave me rise to reflect back on the legislation and how we sometimes term things in legislation. Part of it was that preference should be given to older individuals with the greatest economic and social needs. Economic and social needs are not always inclusive one of the other.

Ms. CHELIMSKY. Exactly.

Chairman MARTINEZ. Sometimes you have social needs, where you do not have economic need. It seemed to me that in that kind of ambiguity, we might need to rethink how we declare that target population. I still would like to see some public/private partnerships develop where maybe there was, given that most corporate people today are very understanding of their responsibilities to the community, not just to their employees.

We might somehow suggest that these partnerships develop into more than just the servicing of their own employees. This was the taken-for-granted idea of many people who supported the legislation that it would somehow leverage the Federal dollar for more services for the targeted population.

Ms. CHELIMSKY. I believe some private corporations are already doing that kind of thing. I think everyone understands that the community issues are terribly important—and not just for the area of the elderly but for young women who are raising families alone, for all kinds of people who are having terrible problems of living in a community and feeling involved in some way.

Chairman MARTINEZ. I really do not have a lot more questions. I was hoping that Susan Molinari would have stayed behind because I am sure she has. She is quite a contributing member of this committee and interested in the things that we are dealing with.

I might announce now that I will leave the record open, should Ms. Molinari or any other members of the committee have any questions on the report. The record will remain open so they can communicate to you those questions, and you can respond to them, and we will enter them into the record.

Ms. CHELIMSKY. That is just fine, sir. We would be happy to do that.

Chairman MARTINEZ. I want to thank you for a very brief report, one that was very easy to read and very easy to understand, except for that one part.

Ms. CHELIMSKY. Thank you. I am sorry for the bad news.

Chairman MARTINEZ. At this time, it gives me a great deal of pleasure to introduce my good friend and former constituent. Fernando, for many years, lived in the district that I represented. I hope he still considers that his home. With that, we would like to hear from the assistant secretary for aging, Mr. Fernando Torres-Gil.

**STATEMENT OF HON. FERNANDO TORRES-GIL, ASSISTANT SECRETARY FOR AGING, ADMINISTRATION ON AGING, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC, ACCOMPANIED BY CAROL CRECY, DIRECTOR, DIVISION OF PROGRAM MANAGEMENT AND ANALYSIS, ADMINISTRATION ON AGING**

Mr. TORRES-GIL. Thank you, Mr. Chairman. It is truly an honor and a privilege to be here with you, both as a friend, a colleague, and a comrade in the political drama of Greater Los Angeles and especially to be here. This is my first hearing, as you mentioned, before the Congress in my official capacity as assistant secretary for aging. I could not think of a better way to do it and a better committee and chairman. Thank you for inviting me here.

I would like to introduce, if I may, Carol Crecy, who is the director of the Division of Program Management and Analysis, that oversees many of our public/private partnerships.

I will be introducing a formal statement for the record. If I may, Mr. Chairman, I would like to just summarize my comments and then open it up for questions.

Chairman MARTINEZ. You may proceed, however you feel.

Mr. TORRES-GIL. Thank you. I would like, first, to make some general comments about the elevation of this position, which, as you so rightfully noted, was a decision by the Secretary of Health and Human Services, Donna Shalala, as well as our President, Bill Clinton, to give greater attention and visibility to the issues of aging.

As such, my position includes not just overseeing managing the Administration on Aging but being the department's chief spokesperson on aging policy as well as assisting to coordinate, throughout the Federal Government and its many cabinet agencies and in-

dependent agencies, issues affecting older Americans and their families.

The issue of public/private partnerships, which is the focus of your hearing, actually goes to the heart of what I think is one of my many missions. That is to expand the concept of the aging network to be more than just the AAAs, the State units, and what we fund through the Administration on Aging, to bring in others and, as I have said before, to gerontologize society to take a greater interest and involvement in aging. To that extent, I will be speaking momentarily about public/private partnerships at least my concept of what I think that includes.

I know that the specific focus is the GAO report, and I want to thank the General Accounting Office for the time and energy they put in. Having worked on the Hill, I know full well their value in providing us objective analysis, whether it is good news or bad news. We need their assistance, and I thank them for the efforts they have put on. We take seriously what their recommendations are, even if we may not always agree with them.

I would also like to address the issue of demographics and the demographic revolution which is affecting us, not only today but will especially affect us 20 years from now, when the middle aged population becomes twice the size of today's senior citizen population.

I think we all know full well that those demographic changes will have tremendous implications for changing the family structures of those who are old today, of those who will be old tomorrow, and of those who will need to care for them. To that extent, I think we face, especially over the next few years, a crossroads in how we are going to address the many issues, whether they are problems or challenges in dealing with the aging of society.

I have a personal belief, Mr. Chairman, that no one entity in our society can address those challenges successfully. Perhaps in the past, we have had a false dichotomy that either the private sector could do it all and has all the answers, or government should do it all and has all the answers. As you know from President Clinton and his comments the day before yesterday, when he signed the older Americans proclamation, all of us have a stake in how we respond.

Therefore, I believe strongly, both personally and philosophically, that the private sector has to play a critical role with government in helping us to come up with new ways of responding to these challenges and also, through trial and error, coming up with creative and innovative approaches in addressing the needs of families for day care, eldercare, and many other needs.

So I am personally committed to working closely with the private sector, which I define broadly as not just businesses, large and small, but certainly it includes nonprofit organizations, philanthropic organizations, volunteer groups, as well as religious institutions. To that extent, I support and will continue to support a partnership between the private sector as well as government, as we seek to get ready for the next century.

Yesterday, we had a business and aging award, where we identified 13 companies, large and small, that have provided real examples of how we can bring the resources, the experience, as well as

the skills of the private sector in assisting the Administration on Aging to come up with those creative and innovative approaches. You will be hearing from some of them shortly.

AOA, in the past, has had three ways to address this. One has been through corporate eldercare. To that extent, I should just note that "corporate" has a broad definition. It is not just what companies do; it is what government does as well as these other groups I have mentioned.

One of my first speaking engagements was before the Office of Personnel Management last week, where I spoke with James King, new director of OPM, to talk about how we, in the Federal Government, can assist Federal employees to deal with eldercare needs.

Our second approach is the public/private partnerships, which we are going to discuss momentarily in greater detail. The third area is the national eldercare campaign, which was started by my predecessor, Dr. Joyce Berry. That is not the focus of today's hearing, but those three approaches constitute, at least at the moment, how AOA is trying to bring in the private sector.

Now a few words about the GAO report. I think, looking at the GAO report literally, certainly I cannot argue with the findings. They are accurate, and I thank them for giving us those objective results. However, as you indicated, Mr. Chairman, I think how they have looked at the issue is perhaps a little narrow. The parameters are not wide enough.

I do not think we should only look at "profits" to determine what is successful and what is not. Certainly, additional services as well as how we begin to work with the private sector and how they begin to understand and invest in what we are trying to do to jointly respond to the needs of society are worth a lot.

Plus, I think, Mr. Chairman, as we seek to get public support for the Older Americans Act—and I hope someday even to increase appropriations—we will need their support. I believe strongly that companies, large and small, as well as other segments of the private sector, need to become our constituencies as we seek to further the mission of the Older Americans Act. I think that should weigh for something, in terms of what might be done.

I do feel it is too early. I do not think that 4 to 6 years is really all that much time to come to a conclusion or a judgment about the success or failure of any specific approach. Therefore, I think we may need to give it a little more time.

Having said that, Mr. Chairman, I should say this. I have inherited these approaches that I have mentioned. I am going to look very closely and examine them in an objective fashion. If I feel that some of the approaches may or may not be working, I will not hesitate or change them in some way. But I would like to do that by working closely with you.

I believe the 1992 amendments, and the guidelines that are included, need to be looked at very carefully and need to be monitored much more closely than perhaps they have been in earlier years.

In conclusion, I would just say this. I think we are all seeking a very sensitive balance between the targeting requirements of the Older Americans Act as well as the need to reach out to broader constituencies, to expand the base of support for the Older Ameri-

cans Act, and to involve the private sector in ways that they can give us the skills that government may not.

I do not yet know what that balance is, but I remain firmly committed to the targeting provisions of the Older Americans Act. I also support, certainly in concept, the need to build on those public/private partnerships, however we might modify them, given what we find out about what works and what might not work.

In conclusion, I thank you for the opportunity to raise this important issue, and I look forward to working with you and the members of your committee as we look more closely at these approaches. Thank you.

[The prepared statement of Hon. Fernando Torres-Gil follows:]

## FERNANDO TORRES-GIL

## ASSISTANT SECRETARY FOR AGING

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

It is an honor to appear before the Subcommittee on Human Resources in my new role as the first Assistant Secretary for Aging. This is my first official appearance before a Congressional Subcommittee, and I would like, at the outset, to thank you, Mr. Chairman, for the friendship and support you have given me over the years and especially since my nomination. I look forward to working closely with you, the other members of this Subcommittee and your staff on matters of mutual interest and concern to our Nation's elders and their families.

The subject of today's hearing and the focus of the General Accounting Office report -- eldercare public private partnerships -- is one in which the Administration on Aging, has a great deal of experience. Just yesterday the Administration on Aging held its annual Business and Aging Leadership Awards at which time 13 businesses were honored for the contributions they have made to the health and well being of the elderly and their families by developing innovative partnerships with local area agencies on aging. Some of these businesses are represented today at this hearing. I think it is extremely significant to note that these awardees represent a wide range of industries such as banking and financial services, utilities, manufacturing, hospitality, broadcast media and health care.

The Administration on Aging will continue to seek out the tremendous contributions of these types of businesses to acknowledge their commitment to our communities.

Before I respond to the specific questions in your invitation letter as well the findings of the GAO report, I want to take a few minutes to share with you some general thoughts on public private partnerships as well as elder care. For the purposes of this hearing, the term "elder care" relates to corporate eldercare which is a service provided by a corporation on behalf of its employees who have caregiver responsibilities for elderly relatives. First, let's take a minute to look at the changing demographics of our country. By the year 2030, we will have close to 66 million people over the age of 65, more than double what we have now. That staggering fact coupled with the aging of our workforce, the large number of women in the workforce, some of whom are caring for children as well as adult relatives, and the changing definition of the family unit create an explicit need for us to look at alternate ways to provide home and community-based services for our elderly and their families. We need to begin to prepare for the future needs of our elders, who will one day be you and me. The aging of the baby boom generation will push the median age of the American worker to 39 by the end of the decade. The preparation of a blueprint for the retirement of the baby boomers is one of the mandates I have been charged with by Secretary Shalala. It is a challenge I take seriously.

In preparing for this phenomenon, we need to make sure we not only focus on those who will be old, but those who will care for them.

Let me make one thing very clear -- families want to take care of their own. They struggle mightily to take care of their own. The recent study released by the National Institute on Aging conducted by the University of Michigan reinforced that fact when it proclaimed that "family values are alive and well." Recent testimony given by the Alzheimer's Association before the Senate Special Committee on Aging cited a study done in our home state of California, Mr. Chairman, in which researchers looked at two groups of people with Alzheimer's disease -- one group living in nursing homes, and the other living at home. The cost of the care in the nursing home was more than three times the cost of paid care at home. The testimony further stated that it is not that the people with Alzheimer's disease who live at home need less care. It is that family members, with enough help at the right time, provide a very large part of that care. We need to support families taking care of their own, by giving them options from which they can choose and tools which they can use.

There is a definite role for both the private sector and the public sector in providing these options and tools. For the last several decades, we have concentrated on whether the public or the private sector can best respond to our growing social concerns. This is no longer the issue.

We must avoid the false dichotomy that it is either government or business that should take the lead -- it must be both who take on that responsibility. Clearly the private sector -- business, non-profit organizations, philanthropic, religious and volunteer groups -- cannot handle all the demands of a diverse aging society. Businesses need what the aging network is best able to provide -- expertise about aging and the value of a social approach. The aging network, made up of the Administration on Aging, State units on aging, area agencies on aging, service providers, aging organizations, volunteers and caregivers, all have specific knowledge and hands-on experience in dealing with aging problems that affect every one of us. Without Federal and State leadership, we neglect our small problems until they become big crises. Federal, State, and local government can plan on a large scale for the aging of our society into the next century and beyond.

American businesses have a long history of being actively involved in the community, and forming partnerships with the public sector are a natural extension of those community outreach efforts. The Administration on Aging has been involved in public private partnerships since the mid 1980's when it used discretionary funding to support a number of projects that encouraged public private partnerships between State and area agencies on aging and businesses.

The incentive behind the participation in these type of partnerships is fairly evident. Most area agencies on aging have experienced an increase in demand for services while their budgets have simultaneously remained level, or in some cases, even decreased. Thus, many agencies are seeking new sources of revenues just to maintain the current level of service. The private sector brings a wide variety of resources to the partnership -- the most obvious being financial support, whether it be in cash or in-kind donation and services. But in addition to that type of support, there are also the managerial skills and outreach assistance that businesses are able to provide.

The Administration on Aging became aware of the formation of eldercare public private partnerships in 1990 and began to actively work to develop a positive strategy to promote these type of alliances. Eldercare public private partnerships have been the fastest types of partnerships to emerge in our country. In 1987, only 3% of major corporations offered any type of eldercare program for their employees. Today, close to 30% offer some type of eldercare service. It is clear that many employers want to respond to the needs of their employed caregivers whose caregiving responsibilities are seen as direct causes of stress-related work problems, such as absenteeism and low productivity. By recognizing these caregivers, businesses humanize the system and by doing so, derive all the benefits that happy employees contribute. It is definitely a win-win situation for all concerned.

In 1990, former Commissioner Joyce Berry, took an important first step and issued a Program Instruction which encouraged State and area agencies on aging to work with the business community to develop and implement eldercare programs, at the same time spelling out quite clearly that these activities should not conflict with or compromise an area agency on aging's main responsibility of carrying out the statutory mission of the Older Americans Act. The 1992 Amendments, as you know, Mr. Chairman, are quite clear in what they specify about public private partnerships and codify much of the language contained in the Administration on Aging's Program Instruction.

Your inquiry about how AAA's and Older Americans Act service providers can avoid conflicts of interest when participating in public private partnerships is a legitimate one. Previous Congressional hearings and General Accounting Office reports have focused on this very issue, and the Administration on Aging is well aware of the risks involved -- as well as the benefits -- of the formation of public private partnerships. Therefore, I can assure you as Assistant Secretary for Aging, the Administration on Aging will adhere to the letter of the law and will do its best, with the resources available, to encourage public private partnerships as long as they do not lose sight of the mission of the Older Americans Act.

The regulations to the 1992 Amendments to the Older Americans Act are being completed right now. They will address all of the mandates of the Older Americans Act, including those relating to public private partnerships and the caveats and safeguards that will be in place as a condition for entering into agreements or contracts with the private sector. I believe that if all area agencies on aging and State units on aging adhere strictly to these guidelines, we can avoid the conflicts of interest mentioned in previous testimony on this issue. We expect to release these regulations for comment in the early part of the summer.

The National Eldercare Institute on Business and Aging, a cooperative initiative administered by the Washington Business Group on Health and the Administration on Aging has been extremely successful in providing basic information for businesses and area agencies on aging who desire to form partnerships. The basic objectives of the Institute -- awareness, network skill-building, and coalition skill-building - all support its mission, which is to increase aging network commitment and participation in efforts that support business community involvement in aging issues. The Institute's five-part series of guidebooks on partnerships, its seminars, and its newsletters among other initiatives are all exceptionally useful tools for the lay person interested in forming a public private partnership.

In addition, I must note that the Institute also does an excellent job of disseminating information to the aging network, including detailing the statutory guidelines of the Older Americans Act by which State and area agencies on aging must abide. This Institute is one major vehicle by which the Administration on Aging assists area agencies on aging and Older Americans Act service providers in seeking to form public private partnerships. In addition, AoA's Project Care Coalitions, an initiative created as part of the National Eldercare Campaign, have served to encourage hundreds of non-traditional aging organizations to become involved with the community by addressing issues relating to a specific aging population. A good example of a Project Care Coalition is one of yesterday's awardees -- <sup>Montana</sup> KXLO and KLCM Radio of Lewistown, ~~Missouri~~ -- which has provided a tremendous service to a rural community with no local television station by broadcasting brief aging programs and public service announcements on a daily basis. Finally, AoA works in tandem with the National Association of State Units on Aging and the National Association of Area Agencies on Aging who have been in the forefront in providing leadership through training programs, technical assistance and the development of resources for their constituents.

I want to take this opportunity to mention the outstanding Eldercare Locator, which is a public toll free telephone service for information about community service for older people anywhere in the United States administered by the National Association of Area Agencies on Aging with support from the Administration on Aging.

Since the Eldercare Locator service went nationwide in November 1992, well over half of the callers are family members interested in locating assistance for the care of an older parent or relative.

I am in general agreement, Mr. Chairman, with the findings of the General Accounting Office in its most recent report. As indicated, it came as no surprise that the average net revenue generated by the area agencies on aging surveyed was 0. It may be that it is too early to see any type of real hard profit from these types of partnerships since many surveyed were only created within the last five years, or it may be that any profit takes the form of in kind services or donations. The real benefits might not be possible to gauge in tangible amounts, but by the solid foundation that these alliances create for the benefit of employers, employees, and their families. These partnerships also serve another very important purpose -- which is to sensitize the business community to the very real aging needs and concerns of our society.

The Administration on Aging, as I indicated earlier in my statement, will continue to work closely with the aging network to provide the kind of technical and practical assistance necessary to ensure that public private partnerships flourish as well as adhere to the spirit and letter of the law. I want to assure you that it is my strong hope that any resources gained from these partnerships be used to increase services for older Americans.

Targeting is the primary objective of the Older Americans Act, and targeting will continue to be the primary objective so that all elderly with the greatest needs, especially the low income minority elderly, are served. The formation of public private partnerships should serve to enhance service delivery to these older Americans and their families, not inhibit the delivery of these vital services.

In closing, I think it is important that we recognize that we are all in this together -- budgetary constraints force us to be more creative in order to reach out to all constituencies, whether they be our children or our parents -- but we need to pool our resources so that we can provide quality services to all people, including caregiving employees who will someday be beneficiaries of Older Americans Act programs themselves. It is important that we acknowledge the many successful public private partnerships that already exist, some of whom are highlighted today, and learn from their successes.

The election of Bill Clinton reflects the spirit of public private partnerships. The President's call to arms for community service and volunteerism re-emphasizes the need for all of us to work together and not to assume that it is an either-or situation. Government and the public sector need business and private sector groups. The Administration on Aging can help to show the way.

I look forward to working with you as we refine the role of public private partnerships, and I would be happy to respond to any questions you might have.

Chairman MARTINEZ. Thank you, Mr. Secretary. I totally agree with you. I think, in your new mission, as you look at some of the things that you inherited—and knowing you, I know that if they do not coincide with the best interest of the overall mission itself, you are going to make those adjustments you need to make and move forward.

I am delighted that you are as supportive of public/private partnerships as I am. Sometimes, though, initially, when we develop some particular concept, we expect too much, too early. I think that is the case here. I think, too, we faltered in not asking for the definition of costs or benefits in a wider context.

In your written testimony, one of the things you referred to is the increase in the percentage of major corporations offering eldercare. You state that it increased from 3 percent in 1987 to 30 percent in 1993. That, I consider, is dramatic growth. It indicates an awareness that has taken place, at least in the corporate world, that has not already taken place in the general population.

One of the things that I found, in the hearings we have held so far, even in the last session of Congress, is that you do not get the attention to the problems of eldercare and senior citizen services that you do, let us say, to child care. Child care was at the front of the agenda, and it was the big issue, and there was a lot of publicity by the press given to it. We have not received that same kind of public attention to the problems of elder people in our society.

I think that is changing. A lot of corporations are responsible for it. When you see McDonald's doing the ads about hiring elderly people, unconsciously people start to think about things they have never thought about before. I would like to know what you can do, as an officer and as a secretary, to educate the private sector, more than they have been educated to this point, on the advantages of using aging networks to provide their employees and retirees with eldercare services.

That is kind of a broad question, but I am sure you have some response to it and have some ideas, especially since you have read the GAO report, on how we can move toward that end and how we can help you do that.

Mr. TORRES-GIL. Let me make some general comments, and I would also like to allow Ms. Crecy to also respond.

First of all, in terms of whether it is too early, I would like to remind us all that the business community, and you have come out of the business community, Mr. Chairman, and I have worked closely with them, even they will acknowledge that it takes time for them to learn. There is a stereotype that they can learn quicker than government. We all need time, so I certainly support the fact that we can give it more time to mature, to evolve, before we conclude that something is working or not working.

What I do give the business community great credit for is that they often are on the cutting edge. They are, in some ways, better able to see the writing on the wall and to act more quickly than some of us can in the Federal Government. I think that helps to explain why the number of businesses that are getting involved has increased very dramatically, and we certainly want to encourage that.

In terms of your last comment, about how we might get involved, let me share with you one of the specific tasks that Secretary Shalala has charged me with. That is to develop a blueprint for how we are going to prepare for the retirement of the baby boomers. Right now, there is no focal point in government that outlines essentially what we should be doing and not doing to prepare today's middle aged population for their aging at the turn of the century.

That will require that I not only work with my colleagues in HHS, but I have to work with the Department of Labor, with the Pension Benefit Guarantee Corporation, with the Treasury Department and their tax policies, and with the Veterans Administration and others.

But beyond working with different cabinet agencies, I have to work with the private sector, because they have a lot to do, vis a vis benefits, retirement policies, savings, how they educate their workers, and how they encourage or allow workers to be retrained to prepare for a longer lifespan.

I give you that broad mission and that blueprint because I know I am going to need the private sector. They are going to have to play a role, in terms of how we develop this blueprint. Now, how we can get them involved to a greater extent, that is something I want to sort out.

I have worked closely, for example, with the Business Forum on Aging, and I am going to be meeting with the Washington Business Group on Health, to ask them that very question: How can we develop this partnership and work more closely? My selfish purpose, in part, is to get them to assist me with this blueprint.

But I also want to ask them a question right up front: Are our current approaches, through these eldercare campaigns, working or are they not? How might you change them? How can I make them a more marketable tool that is faithful to the blueprints, the program instruction, and to the mission of the Older Americans Act but allows us to go to GAO in a year or two and say, "See, we now have measurements that allow us to show you that in fact we are getting results, not narrowly defined but more broadly defined."

I need to ask those questions, and I need to sort that out myself, but at least I want to approach it in that way.

Ms. Crecy, would you like to add to that?

Ms. CRECY. One of the responsibilities of the Administration on Aging, as well as the aging network, is to serve as a facilitator and convener. That is something I think we all do very well. The business and aging awards that we gave out yesterday, the purpose behind them is not just to recognize those companies that have done good things but to use them as a model to get other corporations to see what in fact can be done.

As a result of the first business and aging awards that we did in 1991, AOA developed a compendium that gave very specific examples of public/private partnerships that work. That was widely circulated, and it is a way of having replication of successful programs.

Second, at the State level, State agencies on aging take a very active role in being a convener at the State level with business corporations by having business forums and business breakfasts,

where they talk about a variety of issues that are of mutual concern between the business community and the aging community.

Chairman MARTINEZ. It is really clear that there is a market for eldercare services. The aging network really has not done a good job of capturing that market. It sounds like this particular kind of thing that you are doing now is working toward capturing that market.

Is this one of the reasons why this was developed, because of the sense of the department that they had not been capturing that market and there was a need to?

Ms. CRECY. Yes, it was.

Chairman MARTINEZ. You mentioned, Mr. Secretary, health services. The Older Americans Act provides no direct health services right now. I believe that eldercare is related to the delivery of long-term care. Do you have any idea how the public/private partnerships will change under the tentative proposals coming out of the President's Task Force on Health Care?

Mr. TORRES-GIL. Yes. In this way, I have some ideas.

First, let me say, as you correctly pointed out, the Older Americans Act in the past did not give AOA a role in health or long-term care. However, thanks to your efforts and others, the 1992 amendments now require that the Older Americans Act and AOA begin to fund projects in both long-term care and ombudsman services.

Having said that, I have been part of the health reform task force, and I have been in the various meetings with the task force and President and Mrs. Clinton. We are all committed, and it warms my heart that there is now a consensus that the real priority has to be in developing home and community-based long-term care services that give families the option of taking care of a disabled child or a frail, older relative in the home, in the community, or in an institutional setting, whether it is a hospital or a nursing home.

With that concept, at least a consensus that this is the way we should go with long-term care, then it opens up avenues for corporations and businesses and nonprofit and for-profit groups to play a greater role.

At the moment, most of our nursing home care and a good proportion of our home care, respite care, and case management information and referral is really being done out of the private sector. Government is not providing it, unless it is through the medicaid program or Title XX, social services block grants, and that generally has some kind of an income or means test.

In many respects, the private sector, both for profit and nonprofit, have already developed those home and community-based alternatives. We are not in the business of being a service agency, as you know. We are in the business of facilitating, connecting, and serving as a catalyst.

So my hope, as we move toward the development of a plan for home and community-based care, some of which will be in the President's package, the other which we in HHS are going to develop over the next few years, in fact allows that role and brings in the private sector who are, in some ways, ahead of us already.

Chairman MARTINEZ. Very good. It gives me reason to have a lot of hope for older Americans in the future. I want to thank you

both for coming before us today and giving us your valuable insights. I look forward to your long tenure and our long cooperation.

Mr. TORRES-GIL. Thank you. Yes, sir, I consider myself one of your constituents. Thank you very much, and to the members of the committee, thank you.

Chairman MARTINEZ. I would now like to call our third panel, which consists of Ms. Donna Phillips, Director, Division of Elder Affairs, Montgomery County, Rockville, Maryland. Also joining Ms. Phillips is Ms. Deborah Stahl, Director, Family Care Development Fund, American Telephone and Telegraph Company, Morristown, New Jersey; Mr. J. T. Childs, Jr., Director, Workforce Diversity Programs, WFS Solutions Company, International Business Machines, Washington, DC; and last but not least, Ms. Barbara R. Katersky, Vice President-Employee Relations, American Express Company, New York, New York.

We are going to start our testimony with you, Ms. Phillips.

**STATEMENTS OF DONNA PHILLIPS, DIRECTOR, PUBLIC/PRIVATE PARTNERSHIPS PROGRAM, MONTGOMERY COUNTY DEPARTMENT OF FAMILY RESOURCES, DIVISION OF ELDER AFFAIRS, ROCKVILLE, MARYLAND; DEBORAH STAHL, DIRECTOR, FAMILY CARE DEVELOPMENT FUND, AMERICAN TELEPHONE AND TELEGRAPH, MORRISTOWN, NEW JERSEY; J. T. [TED] CHILDS, JR., DIRECTOR, WORKFORCE DIVERSITY PROGRAMS, WFS WORKFORCE SOLUTIONS, INTERNATIONAL BUSINESS MACHINES, ARMONK, NY; AND BARBARA R. KATERSKY, VICE PRESIDENT-EMPLOYEE RELATIONS, AMERICAN EXPRESS COMPANY, NEW YORK, NEW YORK**

Ms. PHILLIPS. Thank you, Mr. Chairman. It is a pleasure to be with you today. On behalf of Montgomery County's Division of Elder Affairs, I represent their Public/Private Sector Partnership Program.

For those of you who do not know, let me tell you a little bit about Montgomery County. Montgomery County is a suburban community, northwest of Washington, with a population of 757,000 individuals. One hundred seven thousand of those are over 60. Our population is growing faster in that range than any other segment of the population.

That growth, along with declining resources in Montgomery County government, the decrease in spending in real dollars for programs for seniors, caused the Division of Elder Affairs to institute a Public/Private Sector Partnership Program 3 years ago, when they hired me to be the director of this program.

The total goal of the program is to leverage private sector support to assist the area agency in reaching and serving more older adults. This is accomplished by developing relationships with organizations. When I speak of organizations, I reiterate what the Assistant Secretary said. Organizations are not just businesses. They are community organizations, nonprofits, and other government entities.

I should mention that we do not charge fees for any services that the county government provides. The Public/Private Partnership Program is funded solely with county funds. To my knowledge, it is

the only program of its kind in the country, operated out of an area agency on aging.

So the question may arise, if we do not charge fees for services, if we do not contract with businesses, then what is our relationship with businesses?

In the past 3 years, we have developed over 45 different projects with businesses. They range from the development of resource and information tools that penetrate 75 percent of the households in the county, something that area agencies have a hard time doing, reaching seniors in their homes.

We have developed parallel services in the private sector. When I say we have "developed," we have stimulated the development of parallel private sector services, which provide seniors in our county with options they never had before.

An example in my testimony cited the Senior Health Insurance Counseling and Advocacy Program. It is called SHICAP. It is a Federal, State, and county funded program that really uses volunteers to help seniors fill out medical forms. Now, in the private sector, we have over 15 small companies that provide that same service for a fee.

What that does and what our belief is that when we stimulate economic development in the private sector, we let our agency then focus on those people more in need. Private sector services, in a sense, often have a different level of service. We are proud of that, especially in Montgomery County, where 85 percent of the businesses are small businesses.

Just as an aside, the Society for Human Resource Management, in their survey in 1992, in a random sample of 5,600 human resources professionals, said that nine out of 10 small businesses with less than 100 employees do not provide any kind of eldercare service. Eighty-five percent of the businesses in my county are small businesses.

In my travels throughout the country, helping other agencies assess how they can form partnerships with businesses, I am constantly confronted with the dilemma they face when the information and the direction from the Administration on Aging cites corporate eldercare as the wave of the future, when in fact the businesses in their communities do not have the capability to develop corporate eldercare programs.

However, what do these area agencies really want, what do they need, what have I helped them with, and what do I suggest that the committee may consider recommending? It is assisting these area agencies in forming these kinds of relationships, such as the ones developed in Montgomery County.

I can cite example after example of relationships that help the private sector benefit seniors and help the area agencies. They cannot be measured in dollars.

Recently, I was asked to describe how much money did you raise in 1993, 1992, and 1991? If I had to talk about a resource directory of which 100,000 copies were printed and 75,000 went to households, it would cost the county government maybe \$50,000 or \$60,000. However, we did not have that product before, and now we do. Again, the private sector is a market that is very interested in the senior market.

I should also mention that one of the ways we work with businesses in our community is, we assist them in understanding the senior population. One of the "projects" and products that we have helped area agencies develop is a tool which we call the analysis of shifting demographics and their impact on your business.

In area agencies in Charlottesville, in Howard County, in New Bern, North Carolina, they are offering, through chambers of commerce, this kind of technical assistance for fees. They could not offer corporate eldercare because there is no market for corporate eldercare in New Bern, North Carolina. However, just as in Montgomery County, businesses are eager to buck this recessionary trend. They are interested in developing new markets for their services and products. They are interested in developing new products.

Area agencies have the expertise and the know-how to help businesses in forming relationships which yield to all kinds of intangible and tangible results. This is, I believe, a direction the Administration on Aging should take as they look at strengthening relationships between area agencies and business.

Thank you very much for letting me testify, and I will be glad to entertain questions.

[The prepared statement of Donna Phillips follows:]

Donna Phillips, Director, Public/Private Sector Partnership Program  
Montgomery County Department of Family Resources

Mr. Chairman, thank you for this opportunity to testify at this hearing of the House Education and Labor Subcommittee on Human Resources.

In my comments, I will discuss my experiences as Director of Montgomery County's Public/Private Sector Partnership Program, a program of the County's Department of Family Resources, Division of Elder Affairs, the Area Agency on Aging serving Montgomery County's older adults. For your information, the Public/Private Partnership Program, in operation for 3 years, is solely funded by Montgomery County Government.

For those of you who may not know, Montgomery County is a suburban community northwest of Washington D.C. The County's 1993 population of 757,000 represents a diverse cross-section of cultures, ages, and economic situations. As reported by the Washington Council of Governments, after the District of Columbia, Montgomery County has the greatest number of seniors age 60+ in the region, 107,540, representing a 42% increase between 1980 and 1990. By the year 2000 the senior population of Montgomery County is expected to increase by 20% to 128,550.

After the District of Columbia the County also has the largest number of seniors living below the Federal Poverty level. And, Montgomery County surpasses all metropolitan jurisdictions including the District of Columbia in its number of non-English speaking seniors.

And, while many of you may think of Montgomery County as a wealthy suburban bedroom community, it is also a community in which economic diversity reaches extremes. While 82% of seniors in this County own their own homes, many are still poor. In a recent report on the minimum income needed for older adults to cover basic living costs, it was determined that

an annual income of \$11,866 for individuals and \$17,866 for couples was necessary. There are more than 20,000 seniors with incomes below the minimum standard of need.

Senior incomes are not rising but dropping. Yet as the County's residents become older, more diverse, and frailer, their needs for services increase. Montgomery County, like so many other urban/suburban Counties, has been faced with unprecedented growth and demands from other segments of the community. In fact, the County's expenditures for senior services while totalling almost \$6 million in FY 94 have shown a 5% decline in expenditures since FY91, this decrease despite the rapidly increasing number of low income, non-English speaking seniors, frail elderly over 85 years of age and seniors who are unable to perform one or more activities of daily living.

The dramatically increasing need for services and the declining financial resources were determinants in the County's decision to establish a Public/Private Sector Partnership Program.

The program's goal is to leverage private sector support to assist the Area Agency in reaching and serving more older adults. To form mutually beneficial relationships with organizations whether business, nonprofit, community or governmental has benefitted our entire senior population. The County believes that this strategy has increased the options available to seniors while freeing the County to concentrate on those seniors most in need.

To continue to depend solely on Older American Act, State and County funds, would have rendered the County unable to develop programs and services to meet County seniors needs.

Montgomery County's Innovative Public/Private Sector Partnership  
Program.

Why is it innovative? Our experience can attest to American business' lack of clear, concise, easy-to-understand information about older adults. The program's surveys of small, and mid-size businesses demonstrate business' confusion about the demographics of aging in American and in Montgomery County. The cornerstone of this Public/Private Sector Partnership Program, is the role of the AAA positioning itself as a resource to business on the senior market.

In real terms, this means, our local newspaper for the third year has published a senior citizens resource guide as a supplement to the newspaper, with editorial copy supplied by the Area Agency on Aging. The Montgomery Journal now has a new "product" to sell, and their success can be measured in the tripling of advertising in the supplement in the past three years. The Area Agency on the other hand, has a new outreach information tool which has a 75% household penetration rate -- greater than anything that has ever been marshalled by the AAA. Now, the AAA can communicate with seniors and their families about SSI, QMB, our nutrition programs, senior center activities and other programs of interest.

In real terms, it means the establishment of a marketing support group for business and nonprofits interested in gaining a business-like perspective on their work. We supply the business community with information about what makes a senior program work well, and we help them modify the programs they develop to reflect the diverse needs of the seniors they target. The

Marketing Support Group is the AAA vehicle for welcoming business into the aging network and initiating a relationship.

In real terms, it means that with state and federal funds, we established a Senior Health Insurance Counseling and Advocacy Program that utilizes senior volunteers to help other seniors complete medical insurance forms. In the private sector, there is now a similar service, that seniors pay for. At last count, 15 small business owners offer seniors assistance with bill paying, completing medical forms and other personal services. It is critical that there be many options for getting needed help and that free services target those with the least financial or social resources.

#### Corporate Eldercare

Montgomery County discovered, through numerous meetings with business representatives, including members of the County's eleven Chambers of Commerce, that eldercare was not a major concern of business.

The continuing reference to market driven, is simply put, the attitude business has assumed for decades, that when there is a demand, then business will develop a product to meet it. In some instances, when there is considerable marketing money available, business has created the demand. When we discuss programs like Corporate Eldercare, we can examine business' interest in this service as well as their employees 'demand' for it.

In Montgomery County, a survey of the major regional employers by the IBM-led American Business Collaborative yielded no demand by employers or employees for eldercare assistance.

The GAO report establishes what many in the Aging Network suspected. AAAs are not making money from Corporate Eldercare, that is, by selling their expertise and services to business. We believe that in most instances the push from AOA to establish Corporate Eldercare relationships was driven primarily by a need from the Aging network to gain additional revenue, it was not market driven by the majority of the business community requesting help for their employees.

It is clear that during this long recessionary period any relationship developed with the private sector will not be successful if it requires an upfront financial outlay, especially as in the case in this County with Corporate Eldercare, where there is no employee demand.

As a senior marketing expert, it also became apparent to me, that while Corporate Eldercare was not perceived by business as their need, there were, in fact, other business interests and needs, that AAAs could appropriately target in order to develop mutually beneficial relationships.

After three years, Montgomery County has been able to approach the topic of corporate eldercare with business. Through a partnership with the County's Division of Child Care we have scheduled a conference for June 4, cosponsored by Representatives Connie Morella and Al Wynn. But once again, the theme of the conference comes from the imperatives of business; it is market driven not AAA focused, the theme, "Building a Productive Work Force for the 21st Century: Child and Elder Care Strategies."

Montgomery County's Partnership Initiatives

Partnerships in this County have been the standard operating procedure for years. However, now more than in the past there is more of an emphasis placed on them as a way of saving programs.

Again, I wish to stress the fact that if the Aging Network wishes to establish partnerships with business, the most effective strategy for Montgomery County has been to access business' needs and determine how by assisting business, seniors can be helped. Unlike so many other AAA public/private partnership programs, Montgomery County's program does not have budget or fundraising goals.

It is my experience, that in the instances when AAA's have hired persons charged with "fundraising", there is intense pressure to cover the cost of their salary and also to find private sector money to take over programs. This again, operates out of the premise of AAAs needs. In these instances, I have seen dedicated, talented individuals, given a mission which cannot be accomplished become discouraged and eventually unemployed.

The reputation of the AAA with business can become damaged as well. The AAA becomes one more group coming to business with their hands out.

Relationship building, not fundraising, is the key to long-term gains. Many AAA's are uncomfortable in approaching business with relationship building in mind. Many need help in seeing that partnerships can play a role in fulfilling their mission as AAAs. At their invitation, I have traveled throughout the Country helping AAAs take hold of this issue.

In fact, one quarter of my time is now spent travelling around the Country assisting the aging network in understanding business partnerships. It is clear to me that there is a role for the Administration on Aging in this arena.

In metropolitan Washington, through the Council of Governments, I Chair a Business and Aging Task Force composed of AAA representatives from Northern Virginia, the District of Columbia and Maryland. In addition to these members, our Task Force includes representatives of the business community, including real estate, banking, the senior housing industry and publishers of two widely distributed senior publications.

By working with business on this task force, AAAs which traditionally look at the world through the eyes of the needs of seniors, have become more familiar with the issues of survival that business owners face. Businesses need to understand and gain access to the senior market. AAAs need to develop a community network of services that doesn't rely on government for its existence.

The AAA members have gained a level of comfort in working with these business owners and have increased their ability and desire to look at developing partnerships. It is clear to me that there is a role for the Administration on Aging in this arena.

#### CHALLENGE TO AOA

I challenge AOA to lend the support to AAAs on public/private partnerships. I challenge AOA to help AAAs understand how to work with business and develop strategies that they can implement. By establishing a public/private sector technical assistance program available to AAAs nationally, AOA can become the leader needed to assist AAAs to better serve seniors.

This does not mean the dissemination to the aging network of more information about successful eldercare public/private partnerships. There is already a plethora of tomes on public/private sector partnerships, however, as exemplified by the GAO report, AAAs have not benefitted from this information. In my travels, what becomes incredibly clear, is the barrier AAA staff face in understanding how they can adopt and implement a partnerships attitude that is not corporate eldercare based and that goes beyond fundraising.

I would like to commend the American Society on Aging's Business and Aging Eldercare Institute for the development of the GAME PLAN, a nuts and bolts tool designed to help the aging network learn how to work with business.

In closing, I would like to once again challenge the Administration on Aging, to do what Montgomery County, with County funds, has done for the past three years. To assist the aging network, agency by agency, in modifying their approach to recognize that only by establishing their credibility as a key resource in their community, whether with business or other community organizations, can they meet the challenges they and older adults will face in the 21st Century.

Thank you for this opportunity.

Chairman MARTINEZ. Ms. Phillips, we will hear all the testimony and then go back to questions, but I have one immediate question I have to ask.

Was the Montgomery County area agency on aging one of the ones in the GAO study?

Ms. PHILLIPS. No. The AAA in Montgomery County does not offer corporate eldercare services.

Chairman MARTINEZ. They were just studying corporate eldercare?

Ms. PHILLIPS. Yes, they were just surveying area agencies that offer corporate eldercare. Montgomery County does not.

Chairman MARTINEZ. I think that is another mistake we made in asking the questions. We did not define clearly enough that wherever there were public/private partnerships, not necessarily just corporate public/private partnerships, we should get that information. From your testimony, it really skews that GAO report. What they looked at was not necessarily evidence of some very successful partnerships.

Ms. PHILLIPS. No. Just one more thing, we do help businesses look at corporate eldercare. As a matter of fact, next Friday, Constance Morella and Albert Wynn are cosponsoring a conference on dependent care with the Division of Elder Affairs. So we do stimulate the development and interest in corporate eldercare. Again, we just do not charge fees.

Chairman MARTINEZ. Thank you. Ms. Stahl?

Ms. STAHL. Thank you, Mr. Chairman and Representative Molinari. My name is Deborah Stahl. I manage AT&T's work and family programs, a comprehensive package of benefits that help our employees balance their lives, both inside and outside of the workplace. I am very pleased to have the opportunity to testify today about the important role that public/private partnerships are playing in AT&T's response to our employees' eldercare needs.

For many AT&T employees, the care of an elderly relative is a constant concern. Many are also a part of what has been called the "sandwich generation," juggling responsibility for children and elders at the same time. These caregiving responsibilities place physical, financial, mental, and emotional strain on our employees and their families.

Often, that translates into work interruptions, absenteeism, and loss of the energy and concentration that is required to serve our customers in the best way possible. These productivity concerns, as well as our intention to attract and retain the best possible talent for our workforce, make the support of work and family a clear-cut business issue.

Currently, there are over 200,000 AT&T employees who are working in the United States, who are age 30 and over, the prime age for developing eldercare needs. Although we do not know exactly how many are caring for elderly relatives, we do know that national statistics tell us that one of every four adults will provide some sort of support to a parent, older relative, or relative with a disability during their work lives.

We began providing employees with eldercare support in 1990, as a result of an innovative labor contract between AT&T, the Communications Workers of America, and the International Brother-

hood of Electrical Workers. The contracts created family-friendly benefits that included programs to address eldercare needs.

Among them, an eldercare consultation and referral service to help employees locate, evaluate, and manage eldercare services, and a community investment program called the Family Care Development Fund, to provide developmental grants to eldercare programs that serve employees in the communities where they live and work. Both of these programs are being implemented in partnership with area agencies on aging and other Older American Act service providers.

Our eldercare consultation and referral program is administered for us by Work/Family Elder Directions, a national family resource services firm. They, in turn, subcontract on our behalf with local agencies to provide community resource information. A small number of these local subcontractors are area agencies on aging.

They provide critical information to our employees. Not only do they help them take full advantage of the services provided by community aging services, but they also help us provide educational services, such as seminars, workshops, and worksite eldercare fairs.

Partnership and collaboration are at the heart of our Family Care Development Fund initiative. The fund, jointly administered by AT&T, the Communications Workers of America, and the International Brotherhood of Electrical Workers, is designed to increase the supply and improve the quality of community child care and eldercare services that are available to our employees. Over a 6 year period, from 1990 to 1995, the fund will invest \$25 million in community child and eldercare projects.

The fund is not philanthropic; it is driven by employee needs. However, community benefit is an important byproduct of our work. By investing in existing community resources, we aim to increase the options for AT&T employees and, at the same time, build the quality and supply of services that are available to the community at large.

Since the fund was launched in 1990, we have supported 50 eldercare projects, investing over \$1.6 million in a wide range of eldercare programs, including adult day care, in-home services, telephone reassurance, transportation initiatives, and training for eldercare service providers.

To date, we have awarded five grants, totalling \$166,400, to area agencies on aging, serving Atlanta, Georgia; Lawrence, Massachusetts; and Prince William, Loudoun, and Fairfax Counties, Virginia. Many of the other agencies we have partnered with are recipients of Title 3 grants under the Older Americans Act.

The partnerships we have forged with these five area agencies on aging, I think, illustrate how public/private partnerships can create "win-win" situations for corporations and communities. Our grants supported the development or expansion of in-home service programs by providing the funds to recruit, train, and manage a cadre of volunteers. These volunteers provide a wide range of daily living supports for elders, such as transportation to medical appointments, shopping assistance, financial management, chore assistance, meal preparation, and companionship. In some cases, we

are providing people power as well as dollars, when AT&T employees and retirees are being recruited as volunteers.

The benefit for AT&T: our employees find increased options for affordable community services. The benefit for the area agencies on aging, they have access to more resources that enable them to broaden both the range of services that they offer and the base of elders that they serve.

I expect that AT&T's investment in community-based eldercare services will continue to grow. It is a strategy that other businesses are beginning to embrace as well.

AT&T is proud to be one of 137 businesses and public/private sector organizations participating in a project called the American Business Collaboration for Quality Dependent Care. With this pioneering initiative, businesses are pooling their resources to provide more than \$25 million to support 300 projects in 44 cities, to help employees care for their children and aging relatives. About 15 percent of these projects support the elderly.

It is our hope that the American Business Collaboration will inspire other businesses and community agencies to explore ways to work together to address family issues.

At AT&T, we believe business can play an increasingly important role in building our Nation's capacity to respond to a growing older population. Our intention is not to divert the aging network from its primary purpose, to serve the frail elders, the socially and economically disadvantaged.

Rather, our intention is to strengthen the agencies' capacity to fulfill that important mission by developing projects that serve the overlapping needs of employee caregivers and the community at large. By providing funds for projects that broaden the base of elders served and increase the range of services offered, public/private partnerships can be mutually beneficial.

We value the wealth of resources that the aging network brings to our partnerships: deep knowledge of the needs of elders, expertise in program planning and development, and expert coordination of services. In turn, we offer development funds to create caregiver support programs, we share our management expertise through participation in community leadership activities, we provide employee volunteer resources, and we can also help with the important job of creating a broader awareness and a deeper understanding of the issues facing the elderly in our country.

In conclusion, I would like you to know how much I appreciate the opportunity to address you today, and I would be happy to answer any questions you have.

[The prepared statement of Deborah Stahl follows:]

**Deborah Stahl**  
**AT&T**  
**Director, Family Care Development Fund**

My name is Deborah Stahl. I manage AT&T's Work and Family Program -- a comprehensive package of programs designed to help our employees balance their lives inside and outside of the workplace. I am pleased to have the opportunity to testify about the important role public-private partnerships are playing in AT&T's response to our employees' elder care needs.

For many AT&T employees the care of an elderly relative is a constant concern. Many are also a part of what has been called the "sandwich generation" - juggling responsibility for children and elders at the same time. These caregiving responsibilities place physical, financial, mental and emotional strain on our employees and their families. Often that translates into work interruptions, absenteeism and loss of the energy and concentration required to serve our customers in the best way possible. These productivity concerns, as well as our intention to attract and retain the best possible talent for our workforce, make support of work and family matters a clear-cut business issue.

Currently there are over 200,000 AT&T employees working in the United States who are age 30 and over, the prime age for developing elder care needs. Although we do not know exactly how many are caring for elderly relatives, national statistics tell us to expect that one of every four adults will provide some form of support to a parent, older relative, or relative with a disability during their work lives. As the elderly population is growing at an unprecedented rate in this country, we can only expect the needs to provide elder care support to our employees to become even more critical in the years to come.

We began providing employees with elder care support in 1990 as a result of innovative labor contracts between AT&T, the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW). The contracts created family-friendly benefits that included programs to address elder care needs -- among them :

- Elder care consultation and referral service to help employees locate, evaluate and manage elder care services,
- Family care leave of absence which allows employees to take up to a year of unpaid leave to care for a seriously ill family member with guaranteed reinstatement to a job of like status and pay,

- A child/elder care reimbursement account which allows employees to set aside up to \$5,000 a year in pre-tax dollars to pay for child or elder care expenses,
- And a community investment program called the Family Care Development Fund to provide developmental grants to elder care programs that serve AT&T employees in the communities where they live and work.

Two of these programs, the elder care consultation and referral program and the Family Care Development Fund, are being implemented in partnership with Area Agencies on Aging and other Older Americans Act service providers.

Our elder care consultation and referral program is administered for us by Work/Family Elder Directions, a national family resource services firm. They, in turn, subcontract on our behalf with local agencies to provide community resources information. In some cases these local subcontractors are Area Agencies on aging. They provide critical information to our employees. Not only do they help our employees take full advantage of the services provided by community aging agencies but they also help us provide educational services such as seminars, workshops and worksite elder care fairs.

Partnership and collaboration are at the heart of our Family Care Development Fund initiative. The Fund, jointly administered by AT&T, the Communications Workers of America and the International Brotherhood of Electrical Workers, is designed to increase the supply and improve the quality of community child care and elder care programs available to our employees. Over a six-year period (1990-1995), the Family Care Development Fund will invest \$25 million in community child care and elder care projects.

The Fund is not philanthropic -- it is driven by employee needs. However, community benefit is an important by-product of our work. By investing in existing community resources we aim to increase the options for AT&T families and at the same time build the quality and supply of services available to the community at large.

Since the fund was launched in 1990, we have supported 50 elder care projects, investing over \$1.6 million in a wide range of community elder care programs including adult day programs, in-home services, telephone reassurance programs, transportation initiatives and training for elder care service providers. To date, we have awarded five grants -- totaling \$166,400 -- to Area Agencies on Aging serving Atlanta, Georgia; Lawrence, Massachusetts; and Prince William, Loudoun and Fairfax Counties, Virginia. Many of the other agencies we have partnered with are recipients of Title III grants under the Older American Act.

The partnership we have forged with these five Area Agencies on Aging illustrate how public-private partnerships can create "win-win" situations for corporations and communities. Our grants supported the development or expansion of in-home service programs by providing the funds to recruit, train and manage a cadre of volunteers. These volunteers provide a wide range of daily living supports for elders such as transportation to medical appointments, shopping assistance, financial management, chore assistance, meal preparation and companionship. We are providing people power as well as dollars; in some cases, AT&T employees and retirees are being recruited as volunteers. The benefit for AT&T: our employees find increased options for affordable community services to directly support them in their challenging job of balancing working and care giving. The benefit for the Area Agencies on Aging: they have access to more resources that enable them to broaden both the range of services they offer and the base of elders they serve.

I expect AT&T's investment in community-based elder care services to continue to grow. It is a strategy that other corporations are beginning to embrace as well. AT&T is proud to be one of 137 businesses and public-private sector organizations participating in the American Business Collaboration for Quality Dependent Care. With this pioneering initiative, businesses are pooling their resources to provide more than \$25 million to support 300 projects in 44 cities to help employees care for their children and aging relatives. About 15 percent of the collaborative projects support the elderly. Yesterday (May 26, 1993) we were among the collaborators honored with the Business and Aging Leadership Award presented by the Administration on Aging. It is our hope that the American Business Collaboration will inspire other businesses and community agencies to explore ways to work together to address family issues.

At AT&T, we believe business can play an increasingly important role in building our nation's capacity to respond to a growing older population. Our intention is not to divert the Aging Network from its primary purpose to serve the frail elders, the socially and economically disadvantaged. Rather, our intention is to strengthen the agencies' capacity to fulfill that important mission by developing projects that serve the overlapping needs of employee caregivers and the community at large. By providing funds for projects that broaden the base of elders served and increase the range of services offered, public-private partnerships can be mutually beneficial.

We value the wealth of resources the Aging Network brings to our partnerships -- a deep knowledge of the needs of elders, expertise in program planning and development and expert care delivery. In turn, we offer development funds to create caregiver support programs, we share our management expertise through participation in community leadership activities, we provide employee volunteer resources and we help with the important job of creating a broader awareness and a deeper understanding of the issues facing the elderly in our country.

Chairman MARTINEZ. Thank you, Ms. Stahl.  
Mr. Childs?

Mr. CHILDS. Thank you, sir. I am Ted Childs, IBM's director of Workforce Diversity Programs, located in New York. Thank you for the opportunity to testify before this hearing today. We appreciate the subcommittee's invitation to testify on the subject of aging, a subject that is one of the key workplace issues of the 1990s.

We, in business, have four aging-related constituencies: aging employees; retirees; aging family members of both employees and retirees; and, of course, older members of the community, which includes our stockholders and our customers.

When the first group, our employees, have problems associated with aging loved ones, those problems represent distractions in the workplace. We need to minimize those distractions to maximize productivity. Doing so is a key element in maximizing our competitive and economic health. That competitive and economic health is determined by how well we respond to our customers and provide value to our stockholders. This is a definition of need. Public/private partnerships are an important part of our strategy to address that need.

IBM has been involved for many years with programs, including public/private partnerships, designed to meet the needs of an aging workforce with increasing dependent care responsibilities.

First, I would like to give you some background on IBM to set the stage for my comments. IBM is in the information business. In the United States, we have more than 150,000 active employees, 60,000 retirees, and over 30,000 people on leaves of absence bridging to retirement.

We have locations in all 50 States. While many of them are small, we do have nine locations that have between 4,000 and 10,000 employees. Our workforce is very mobile, which often results in our employees living away from elder relatives for which they have caregiving responsibilities.

Given our size and geographic dispersion, we have found that the best way to assess the needs of our employees is through surveys. In 1986, we administered our first work/life survey, followed by a second in 1991. Our 1986 survey data indicated that 30 percent of our population had some responsibility for an older relative. Between 1986 and 1991, the percentage of our population with elder dependents almost doubled, increasing from 9 percent to approximately 16 percent.

Four percent of this population have dependent elders living in their home. Ten percent of our population is in the "sandwich generation"—that is, they have both eldercare and child care responsibilities.

In order to assist our employees with their eldercare responsibilities, we established our Elder Care Consultation and Referral Service in 1988, the first national corporate program of its kind. We contracted with Work/Family Directions, Inc., that Deborah just mentioned in her remarks, to set up a national network of organizations to deliver this service to employees and communities where they live and work.

We were looking for organizations with the capabilities to offer a comprehensive service to meet our specifications in each communi-

ty. This national network provides employees and retirees with telephone consultation and assistance in determining the types of eldercare available, researches referrals to providers of care, and educates employees about how to select quality care.

To date, more than 31,000 IBM families have used the eldercare network. Consultation on needs identification, long-range planning, financial issues, stress reduction, family decisionmaking, and communication with elders has been provided. The types of services requested have included home health aides, congregate housing, skilled nursing home facilities, case/care management, and home-maker services.

This diverse network is comprised of 175 local community organizations, of which 20 percent are area agencies on aging. Work/Family Directions' contractual relationships with the AAAs has been beneficial for them and advantageous for us.

For all sites, Work/Family has provided a model for the subcontractors for upgrading their information and referral services, including the development of a user-friendly format, followthrough, and followup. For the major sites, resources have been provided to computerize their systems and upgrade and expand their data collection.

While it is true that elder relatives of corporate employees have direct access to a specialized service, the agencies can also utilize these resources in their non-corporate work, providing a tremendous benefit for the community at large in search of up-to-date, complete resource information.

In 1989, IBM announced the IBM Funds for Dependent Care Initiatives, a \$25 million fund to be invested over 5 years at the rate of \$5 million per year. Twenty-two million dollars was earmarked for child care and \$3 million for eldercare. The reason for this distribution, quite honestly, is because at this point in our history, we are experiencing more pressure from our workforce to address issues related to children.

However, in the first 3 years of the fund initiative, we funded 45 aging-related projects. Three key examples are the intergenerational program that IBM and AT&T established in Montgomery County, Maryland; the public/private partnership in Westchester County, New York; and a corporate volunteer program in Atlanta.

The intergenerational program in Maryland recruits and trains elders to work in child care centers.

The public/private partnership in Westchester County, a mobile home care team, is funded by the Westchester County Office for the Aging, the U.S. Administration on Aging, and IBM. This partnership enabled the Family Service of Westchester to develop a model to provide in-home services to elders in the northern part of Westchester County.

Since this is an area that lacks public transportation, it has been difficult for home care workers to travel to the homes of frail elders. The available services tended to be expensive because they required an extended time to minimize the cost and inconvenience of the travel. This project created a team of personal care aides, driver, and social worker who are available to provide a variety of needed services on a flexible basis.

In Atlanta, the area agency on aging received funding through the IBM Funds for Dependent Care Initiatives to develop a corporate volunteer program. In partnership with the area United Way, the AAA initiated an effort to invite employees and retirees from IBM and other companies to provide support services to elders in the community on a volunteer capacity.

Among those targeted to be served were elder relatives and retirees of participating corporations through, when possible, volunteers from their corporation. Services provided by volunteers included meal delivery, shopping assistance, light housekeeping, and companionship, the kind of supports that are often the responsibility of employee caregivers who have limited time and multiple demands.

As part of our response to our employees' need for assistance with dependent care, IBM was one of 11 companies which initiated the American Business Collaboration for Quality Dependent Care. I might deviate here just to acknowledge that Deborah took credit for being one of the 137 members, but her company is also a member of the 11 initiating champion companies.

The collaboration, which was announced in September 1992, is a collaborative initiative in 137 public/private companies and organizations to increase the supply and enhance the quality of dependent care programs, child and eldercare, in communities where our employees live and work. The 300 projects resulting from this initiative will be dispersed throughout 44 communities in 25 States.

Over \$25 million will be dedicated to establishing these programs over a 3-year period. As Deborah indicated, 44, or 15 percent, of these projects are dedicated to aging issues.

We view this collaboration and its associated projects as a strategic business initiative that enables our employees to come to work and be more productive while they are at work. Our theme was, quite simply, "Doing together what none of us can afford to do alone."

There is a direct link between our corporation's financial support and meeting our employees' needs. In short, as I stated earlier, we view our initiatives as an investment in our competitive and economic health. We survey our people, and the survey data confirm this view. Our employees indicate that our work/life program menu is a key reason for their staying at IBM.

Area agencies on aging are an active player in many of our dependent care initiatives. Though we work with many other types of community-based agencies, we see area agencies as key potential players in our dependent care initiatives. They must, however, be challenged to be innovative and becoming a more active participant in responding to the challenges resulting from our demographic shifts and aging population.

Public/private partnerships are an excellent vehicle by which to leverage resources for both the private sector and the government. Area agencies on aging are in a unique position to provide services and information to businesses, since they are very familiar with the range of services and resources that are available in each community to assist elders.

You have also asked me to comment on what would assist area agencies on aging that are seeking partnerships. There are a couple of observations that I hope will be useful.

First, give area agencies on aging the flexibility and authority to enter into arrangements and make it easy for business to participate by removing regulatory and other barriers. Businesses need to respond quickly to their employees' needs. Extra layers of oversight could jeopardize AAA's ability to respond quickly. Federal and State involvement in monitoring AAA private contracts should not go beyond ensuring that AAAs are acting consistently with their statutory mission.

Corporations also need to negotiate the terms of contracts directly with local organizations. Many businesses require that the terms of their contracts be kept confidential, especially those that reveal information about their local operations, employee demographics, and fees. This is important because disclosure of this information could put businesses at a competitive disadvantage.

Broad State review of AAA contracts often violates businesses' contractual requirements. A set of standard assurances by AAAs could aid States in their oversight capacity to ensure AAAs meet their public mission and, at the same time, allow them to meet some of their business partners' needs.

As I stated earlier, we in business have four aging-related constituencies: employees; retirees; aging family members of both; and older members of the community, including stockholders and customers. So the second observation is the need for AAAs to view each company as a potential customer whose needs they can address. A thoughtful approach around that theme can lead to businesses working more closely with area offices.

Strategies for approaching the business community should be cooperatively defined. Identification of employers who have employee populations that are older, highly skilled, and/or mostly female should be targeted by area agencies for joint collaborative efforts. Once these businesses have been identified, the awareness for aging initiatives needs to be heightened. Area agencies can promote the issue through articles in business publications or local newspapers, sponsoring seminars, et cetera.

Area agencies need to think like a business if they intend to do business with businesses. Either individually or in partnerships with business, more training and instruction should be provided to assist area agencies with developing the tools that they need to develop a quality business proposal. Identifying customer needs and developing strategies to meet those needs must be examined.

Proposals should be similar in format and content to standard business proposals, which generally contain the following: a table of contents, an executive summary, project description, a mission and statement of goals, a plan to achieve those goals, personnel and financial requirements, an estimated timetable for well-defined deliverables, and a method of evaluating the quality of the deliverable and progress toward the stated goals.

Area agencies need to also realistically assess their strengths and weaknesses in light of other community organizations which they might be in competition with to provide eldercare services or programs to employers.

Awareness and consideration of the issues facing businesses today will facilitate better communications between the prospective partners. Knowledge of common concerns associated with the sub-

ject program allows area agencies the opportunity to develop strategies to negate or alleviate concerns.

For example, area agencies should be prepared to encounter businesses that are unsure of their need for eldercare programs, their cost, and their effectiveness. The joint publications of the Administration on Aging, the Washington Business Group on Health, and the American Society on Aging provide useful guidance on developing public/private partnerships.

Perhaps another way of providing guidance on business issues would be to encourage programs like the loaned executive program. In the past year, two of our employees participated in this program by serving in positions at the U.S. Administration on Aging and the American Society on Aging.

I would like to conclude my testimony with the theme of our Workforce Diversity Programs, which is a quote from George Washington Carver:

"How far you go in life depends on your being tender with the young, compassionate with the aged, sympathetic with the striving, and tolerant of the weak and strong, because someday in life, you will have been all of these."

Thank you, Mr. Chairman.

[The prepared statement of J. T. Childs, Jr., follows:]

STATEMENT OF J. T. CHILDS, JR., DIRECTOR, INTERNATIONAL BUSINESS MACHINES,  
ARMONK, NEW JERSEY

Thank you, Mr. Chairman.

I'm Ted Childs, IBM's Director of Workforce Diversity Programs.

Thank you for the opportunity to testify before this hearing today. We appreciate the subcommittee's invitation to testify on the subject of aging, a subject that is one of the key workplace issues of the 1990s. We in business have four aging-related constituencies: aging employees; retirees; aging family members of both employees and retirees; and, of course, older members of the community which includes our stockholders and customers.

When the first group, our employees, have problems associated with aging loved ones, those problems represent distractions in the workplace. We need to minimize those distractions to maximize productivity. Doing so is a key element in maximizing our competitive and economic health. That competitive and economic health is determined by how well we respond to our customers and provide value to our stockholders. This is a definition of need. Public/private partnerships are an important part of our strategy to address that need.

IBM has been involved for many years with programs, including public/private partnerships, designed to meet the needs of an aging workforce with increasing dependent care responsibilities.

First, I would like to give you some background on IBM to set the stage for my comments. IBM is in the information business. In the United States, we have more than 150,000 active employees, 60,000 retirees, and over 30,000 people on leaves of absence bridging to retirement. We have locations in all 50 States. While many of them are small, we do have nine locations which have between 4,000 and 10,000 employees. Our workforce is very mobile, which often results in our employees living away from elder relatives for which they may have caregiving responsibilities.

Given our size and geographic dispersion, we have found that the best way to assess the needs of our employees is through surveys. In 1986, we administered our first Work/Life survey, followed by a second in 1991. Our 1986 survey data indicated that 30 percent of our population had some responsibility for an elder relative. Between 1986 and 1991, the percentage of our population with elder dependents almost doubled—increasing from 9 percent to approximately 16 percent. Four percent of this population have the dependent elders living in their home. Ten percent of our population is in the "sandwich generation," that is they have both eldercare and child care responsibilities.

In order to assist our employees with their eldercare responsibilities, we established our Elder Care Consultation and Referral Service [ECCRS] in 1988, the first

national corporate program of its kind. IBM contracted with Work/Family Directions, Inc., to set up a national network of organizations to deliver this service to employees in communities where they live and work. We were looking for organizations with the capabilities to offer a comprehensive service to meet our specifications in each community. This national network provides employees and retirees with telephone consultation and assistance in determining the types of eldercare available, researches referrals to providers of care and educates employees about how to select quality care. To date, approximately 31,000 IBM families have used the Elder Care network services. Consultation on needs identification, long-range planning, financial issues, stress reduction, family decisionmaking, and communication with elders has been provided. The types of services requested have included home health aides, congregate housing, skilled nursing home facilities, case/care management, and homemaker services.

This diverse network is comprised of 175 local community organizations, of which 20 percent are Area Agencies on Aging [AAAs]. Work/Family Directions' contractual relationship with the AAAs has been beneficial for them and advantageous for us. For all sites, Work/Family Directions has provided a model for the subcontractors for upgrading their Information & Referral resources, including the development of a "user-friendly" format, follow-through, and follow-up. For the prime sites, resources have been provided to computerize their systems and upgrade and expand their data collection. While it is true that elder relatives of corporate employees have direct access to a specialized service, the agencies can also utilize these resources in their non-corporate work, providing a tremendous benefit for the community at large in search of up-to-date, complete resource information.

In 1989, IBM announced the IBM Funds for Dependent Care Initiatives—a \$25 million fund to be invested over 5 years at the rate of \$5 million per year. Twenty-two million dollars was earmarked for child care and \$3 million for eldercare. The reason for this distribution, quite honestly, is because at this point in our history, we are experiencing more pressure from our workforce to address issues related to children. However, in the first 3 years of the fund initiative, we funded 45 aging-related projects. Three key examples are the intergenerational program that IBM and AT&T established in Montgomery County, Maryland; the public/private partnership in Westchester County, New York; and a corporate volunteer program in Atlanta.

The intergenerational program in Maryland recruits and trains elders to work in child care centers.

The public/private partnership in Westchester County, a Mobile Home Care Team, is funded by the Westchester County Office for the Aging, the U.S. Administration on Aging, and IBM. This partnership enabled the Family Service of Westchester to develop a model to provide in-home services to elders in the northern part of Westchester County. Since this is an area which lacks public transportation, it has been difficult for home care workers to travel to the homes of frail elders. The available services tended to be expensive because they required an extended time minimum to maximize the cost and inconvenience of the travel. This project created a team of personal care aides, driver, and social worker who are available to provide a variety of needed services on a flexible basis.

In Atlanta, the Area Agency on Aging received funding through the IBM Funds for Dependent Care Initiatives to develop a corporate volunteer program. In partnership with the area United Way, the AAA initiated an effort to invite employees and retirees from IBM and other companies to provide support services to elders in the community in a volunteer capacity. Among those targeted to be served were elder relatives and retirees of participating corporations through, when possible, volunteers from their corporation. Services provided by volunteers included meal delivery, shopping assistance, light housekeeping, and companionship—the kind of supports that are often the responsibility of employee caregivers who have limited time and multiple demands.

As part of our response to our employees' need for assistance with dependent care, IBM was one of 11 companies which initiated the American Business Collaboration for Quality Dependent Care. The Collaboration, which was announced in September 1992, is a collaborative initiative in 137 public/private companies and organizations to increase the supply and enhance the quality of dependent care programs (child and eldercare) in communities where their employees live and work. The 300 projects resulting from this initiative will be dispersed throughout 44 communities in 25 States. Over \$25 million will be dedicated to establishing these programs over a 3-year period. Forty four (15 percent) of these projects are dedicated to aging issues programs. Examples of these programs include: volunteer support programs, in-home assessment, SeniorNet computer learning centers, and adult day

care. The theme of the Collaboration is "Doing together what none of us can afford to do alone."—Again the concept of partnership is dominant.

We view this collaboration and its associated projects as a strategic business initiative that enables our employees to come to work and be more productive while they are at work. There is a direct link between our corporation's financial support and meeting our employees' needs. In short, as I stated earlier, we view our initiatives as an investment in our competitive and economic health. Our survey data confirms this view—our employees indicate that our work/life program menu is a key reason that they stay with IBM.

Area Agencies on Aging are an active player in many of our dependent care initiatives. Though we work with many other types of community-based agencies as well, we see area agencies as key potential players in our dependent care initiatives. They must, however, be challenged to be innovative in becoming a more active participant in responding to the challenges resulting from our demographic shifts and aging population.

Public/private partnerships are an excellent vehicle by which to leverage resources for both the private sector and the government. Area agencies on aging are in a unique position to provide services and information to businesses since they are very familiar with the range of services and resources that are available in each community to assist elders.

You have also asked me to comment on what would assist Area Agencies on Aging who are seeking partnerships. There are a couple of observations that I hope you will find useful.

First, give Area Agencies on Aging the flexibility and authority to enter into such arrangements and make it easy for business to participate by removing regulatory and other barriers. Business needs to respond quickly to their employees' needs. Extra layers of oversight could jeopardize AAA's ability to respond quickly. Federal and State involvement in monitoring AAA private contracts should not go beyond ensuring that AAAs are acting consistently with their statutory mission. Corporations also need to negotiate the terms of contracts directly with local organizations. Many businesses require that the terms of their contracts be kept confidential, especially those that reveal information about their local operations, employee demographics and fees. This is important because disclosure of this information could put businesses at a competitive disadvantage.

Broad State review of AAA contracts often violates businesses' contractual requirements. A set of Standard Assurances by AAAs could aid States in their oversight capacity to ensure AAAs meet their public mission and, at the same time, allow them to meet some of their business partners' needs.

As I stated earlier, we in business have four aging-related constituencies: aging employees; retirees; aging family members of both employees and retirees; and older members of the community which includes stockholders and customers. So the second observation is the need for Area Agencies on Aging to view each company as a potential customer whose needs they can address. A thoughtful approach around that theme can lead to businesses working more closely with area offices.

Strategies for approaching the business community should be cooperatively defined. Identification of employers who have employee populations that are older, highly skilled, and/or mostly female should be targeted by area agencies for joint collaborative efforts.

Once these businesses have been identified, the awareness for aging initiatives needs to be heightened. Area agencies can promote the issue through articles in business publications or local newspapers, sponsoring seminars through local business organizations, developing a speaker's bureau for corporations to use for on-site sessions, etc.

Area agencies need to think like a business if they intend to do business with businesses. Either individually or in partnerships with businesses, more training/instruction should be provided to assist area agencies with developing the tools that they need to develop a quality business proposal. Identifying customer needs and developing strategies to meet those needs must be examined. Proposals should be similar in format and content to standard business proposals which generally contain the following: a table of contents, executive summary, project description, a mission statement and goals, a plan to achieve those goals, personnel and financial requirements, an estimated timetable for well-defined deliverables, and a method of evaluating the quality of the deliverable and progress toward the stated goals.

Area agencies need to also realistically assess their strengths and weaknesses in light of the other community organizations which they might be in competition with to provide eldercare services or programs to employers.

Awareness and consideration of the issues facing businesses today will facilitate better communications between the prospective partners. Knowledge of common concerns associated with the subject program allows area agencies the opportunity to develop strategies to negate or alleviate concerns. For example, area agencies should be prepared to encounter businesses who are unsure of their need for elder-care programs, their cost and/or effectiveness. The joint publications of the Administration on Aging, the Washington Business Group on Health, and the American Society on Aging provide useful guidance on developing public/private partnerships.

Perhaps another way of providing guidance on business issues would be to encourage programs like the loaned executive program. In the past year, two of our employees participated in this program by serving in positions at the U.S. Administration on Aging and the American Society on Aging.

I would like to conclude my testimony with the theme of our Workforce Diversity Programs, which is a quote from George Washington Carver:

"How far you go in life depends on your being tender with the young, compassionate with the aged, sympathetic with the striving, and tolerant of the weak and strong, because someday in life, you will have been all of these."

Mr. Chairman we share your goal of having AAAs involved in productive and mutually beneficial public/private partnerships. I hope my testimony has been helpful to you and the committee. I would be happy to answer any questions.

## ■ ■ ■ CHIEF EXECUTIVE OFFICERS' STATEMENT

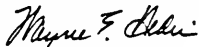
Today, we are announcing a business collaboration to increase the supply and enhance the quality of a broad range of dependent care programs, including child care and elder care, in many communities where our employees live and work.

These programs respond to the diverse needs of families, particularly those with infants and children in school — our next generation of employees. We must attract and retain a productive, motivated work force and help them to realize their full potential if our businesses are to be competitive now and in the future.

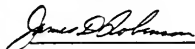
Many companies are involved as partners in this initiative and are providing important local leadership. The basic principle guiding our collaboration is the belief that we can accomplish more by working together than by working alone.

Dependent care is a primary concern of American business. Our diverse work force is increasingly populated by employees who must arrange care for family members — young and old — in order to be fully productive at work. Meeting the basic need for support of our working families is one of the most critical issues we face.

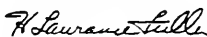
We hope the collaborative projects we are announcing today are an important step forward in the area of dependent care. We urge others to consider collaborations to address dependent care needs in their communities. ■



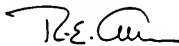
Wayne E. Hedien  
Allstate Insurance Company



James D. Robinson III  
American Express Company



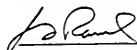
H. Laurance Fuller  
Amoco Corporation



Robert E. Allen  
AT&T



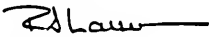
Kay R. Whitmore  
Eastman Kodak Company



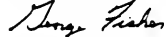
L. G. Rawl  
Exxon Corporation



John F. Akers  
IBM Corporation



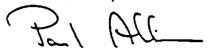
Ralph S. Larsen  
Johnson & Johnson



George Fisher  
Motorola, Inc.



Edward H. Budd  
The Travelers Corporation



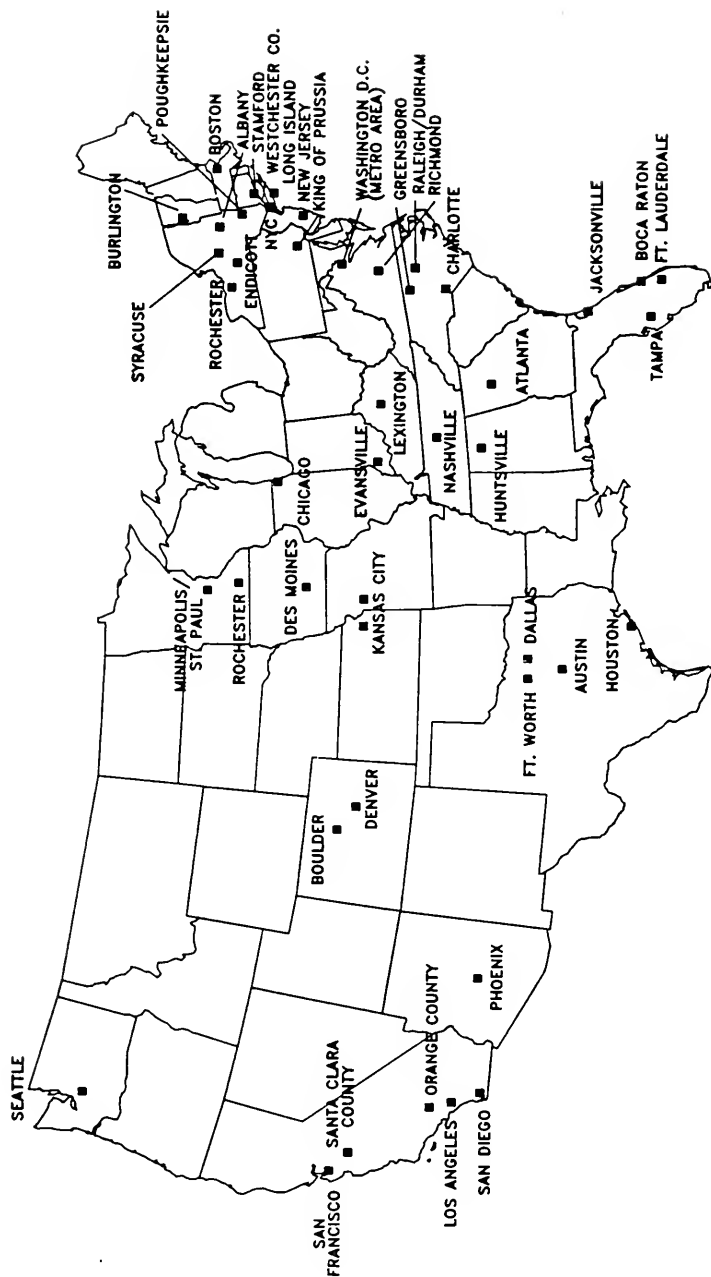
Paul A. Allaire  
Xerox Corporation

# AMERICAN BUSINESS COLLABORATION FOR QUALITY DEPENDENT CARE

## PARTICIPATING COMPANIES/ORGANIZATIONS \*

|                                     |  |   |
|-------------------------------------|--|---|
| Automatic Data Processing, Inc.     | Culinary Institute of America *          | OCIDA *   |
| AEtna                               | Dial Corp.                               | Onondaga County, NY *                                 |
| Allied Signal Inc.                  | Digital Equipment Corp.                  | Pacific Bell  |
| Allstate Insurance Company          | Dow Jones & Co., Inc.                    | Pitney Bowes  |
| Amdahl Corp.                        | Duke Power                               | PepsiCo   |
| American Express Co.                | Dunkin' Donuts                           | Pepsi-Cola Co.  |
| America West Airlines               | Eastman Kodak Company                    | Pacific Gas & Electric                                |
| Amoco                               | Eastridge Properties Corp.               | Philip Morris   |
| Arizona Public Service *            | Exxon                                    | Primerica Corporation                                 |
| Arthur Andersen/Andersen Consulting | Family Health International              | Quaker Oats   |
| AT&T                                | First Data Corp.                         | Reader's Digest Association                           |
| Atlanta Regional Comm. *            | First Interstate Bank of Texas           | Reuben E. Price & Co.                                 |
| Bankers Trust Co.                   | Fried, Frank, Harris, Shriver & Jacobson | Rochester Gas & Electric                              |
| Barnett Bank                        | GE Aerospace                             | Rochester Telephone                                   |
| Bashas'                             | Glaxo Inc.                               | St. Joseph's Hospital *                               |
| Bausch & Lomb                       | GTE                                      | St. Mary's Hospital *                                 |
| Bellecore                           | Hallmark Cards, Inc.                     | St. Francis Hospital *                                |
| Bergen Brunswig Corporation         | Hancock & Estabrook                      | Schmidt Printing, Inc.                                |
| Bethco, Inc.                        | Home Box Office                          | Scitor Corp.  |
| Blue Cross/Blue Shield of AZ *      | Helene Curtis                            | Sematech  |
| Blue Cross/Blue Shield of FL *      | Hewitt Associates                        | Seton Hospital/Daughters of Charity Health Services * |
| Blue Cross/Blue Shield of MA *      | Hoechst Celanese                         | South Central Bell                                    |
| Blue Cross/Blue Shield of NY *      | Household International                  | State of Maryland *                                   |
| Bristol-Myers Squibb Co.            | IBM                                      | State of Minnesota *                                  |
| Bull HN Information Systems, Inc.   | IMSL, Inc.                               | State of New York *                                   |
| Bureau of National Affairs, Inc.    | Johnson & Johnson                        | Syracuse Chamber of Commerce *                        |
| Burroughs Wellcome Co.              | JP Morgan & Co., Inc.                    | Target Stores   |
| CAE-Link Corp.                      | King of Prussia Chamber of Commerce *    | Texaco  |
| Ciba-Geigy Corp.                    | Kraft/General Foods                      | 3M  |
| CIGNA Corp.                         | Leo Burnett and Co.                      | Time Warner Cable                                     |
| Citibank                            | Lexington Herald Leader                  | Time Warner, Inc.                                     |
| City of Boulder *                   | Lexmark                                  | Transamerica Life Company                             |
| City of Jacksonville *              | Lyondell Petrochemical                   | The Travelers   |
| City of Syracuse *                  | Marine Midland Bank                      | U S WEST  |
| The Coastal Corp.                   | Marist College *                         | Vassar Brothers Hospital                              |
| Cobb County Senior Services *       | Mead Johnson/Bristol-Myers Squibb        | Vassar College *                                      |
| Codman & Schurtliff/J&J             | Merck                                    | Vistakon/J&J  |
| Colgate-Palmolive Co.               | Mervyn's                                 | West Central Florida Area Agency on Aging *           |
| The Conde Nast Publications, Inc.   | Mobil Corp.                              | Warner Lambert  |
| Con Edison                          | Montgomery County, MD *                  | Washington Metropolitan Area Transit Authority *      |
| Continental Insurance Co.           | Motorola, Inc.                           | Western Digital                                       |
| Coors Brewing Company               | Mutual of New York (MONY)                | Wildwood Associates                                   |
| C&P Telephone                       | Nabisco                                  | Work/Family Directions, Inc.                          |
| Crum & Forster                      | New England Telephone                    | Xerox   |
|                                     | New York Telephone                       | YMCA/King of Prussia *                                |
|                                     | National Medical Enterprises             |   |
|                                     | Norwest Banks                            |   |
|                                     | NYNEX                                    |   |

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Workforce Solutions  
 An IBM Company  
 20 Old Post Road  
 Armonk, NY 10504  
 (914) 765-2000

Workforce Diversity Programs

June 24, 1993

The Honorable Matthew G. Martinez  
 Chairman, Subcommittee on Human Resources  
 Committee on Education and Labor  
 House of Representatives  
 2231 Rayburn House Office Building  
 Washington, DC 20515

Dear Mr. Martinez:

It was a pleasure meeting you during the testimony for the GAO report on  
 Eldercare Public-Private Partnerships in Older Americans Act programs.

Per your request, enclosed please find two attachments detailing our  
 involvement (via Work/Family Elder Directions, Inc.) with Area Agencies on  
 Aging. Work/Family Elder Directions, Inc. was not able to provide any  
 monetary information regarding their contracts with Area Agencies on Aging as  
 it is considered proprietary.

I appreciated the opportunity to testify on this topic. If you need any other  
 information, please contact me at (914) 765-2360.

Sincerely,

J. T. Childs, Jr.  
 Director,  
 Workforce Diversity Programs

JTC/vjs  
 Enclosures

## Area Agencies on Aging that Served IBM Employees in 1992

Total Employees Served: 559

## Listing by site:

| <u>Site Name</u>  | <u>Number of Employees Served:</u> |
|-------------------|------------------------------------|
| Huntsville, AL    | 0                                  |
| Little Rock, AK   | 10                                 |
| Santa Maria, CA   | 4                                  |
| Ft. Meyers, FL    | 40                                 |
| Tampa, FL         | 47                                 |
| Atlanta, GA       | 118                                |
| Macon, GA         | 3                                  |
| Rockford, IL      | 5                                  |
| Rock Island, IL   | 4                                  |
| Bloomington, IN   | 0                                  |
| Evansville, IN    | 3                                  |
| Lafayette, IN     | 1                                  |
| Terre Haute, IN   | 0                                  |
| Baton Rouge, LA   | 3                                  |
| Monroe, LA        | 2                                  |
| Shreveport, LA    | 3                                  |
| Boston, MA        | 40                                 |
| Bangor, ME        | 4                                  |
| Portland, ME      | 14                                 |
| Traverse City, MI | 4                                  |

(listing continued from page 1)

| <u>Site Name</u>    | <u>Number of Employees Served:</u> |
|---------------------|------------------------------------|
| Jackson, MS         | 9                                  |
| Las Vegas, NV       | 3                                  |
| Syracuse, NY        | 20                                 |
| Lima, OH            | 5                                  |
| Mansfield, OH       | 2                                  |
| Youngstown, OH      | 4                                  |
| Lewisburg, PA       | 2                                  |
| Reading, PA         | 4                                  |
| Columbia, SC        | 12                                 |
| Greenville, SC      | 7                                  |
| Beaumont, TX        | 6                                  |
| Dallas, TX          | 72                                 |
| Charlottesville, VA | 10                                 |
| Fairfax County, VA  | 27                                 |
| Roanoke, VA         | 10                                 |
| Burlington, VT      | 55                                 |
| Green Bay, WI       | 0                                  |
| Petersburg, WV      | 6                                  |

Chairman MARTINEZ. Thank you, Mr. Childs.

Ms. Katersky?

Ms. KATERSKY. Thank you, Chairman Martinez and members of the committee. Thank you, Ms. Molinari, for your acknowledgment of the work that American Express is doing in eldercare. I appreciate this opportunity to testify before the committee about the critical issues of eldercare in the delivery of services through public/private partnerships.

My position at American Express has afforded me the opportunity to learn first hand of the deep emotional and financial strain that can affect employees who provide extraordinary care for elderly dependents. This strain, in turn, can affect their ability to be productive at work and fulfill the demands of their jobs. I have also had the opportunity to be a part of a highly successful public/private partnership for eldercare in New York City and the start-up of two partnerships in eldercare in Florida, all with the area agencies on aging.

Our goal in offering eldercare services is to help employees relieve the time and stress of these family issues so that they can be at work and be productive.

The committee is to be commended for its in-depth review of the GAO report on Eldercare Public/Private Partnerships and Older Americans Act programs. Today's session will enable us all to learn more about making these relationships successful, to share our experiences, to identify how we can provide a framework for expanding these programs, and to develop new ideas about meeting the growing needs of people who have caregiving responsibilities.

You have asked me to address the feasibility of public/private partnerships to leverage private-sector resources for public Older Americans Act services. I will start with a short history of the New York City Partnership for Eldercare.

After our Employee Assistance Program and human resources managers heard from our employees of their often desperate needs for assistance in identifying and locating resources for their older relatives, our philanthropic program approached the New York City Department for Aging, which is the area agency for aging in New York City, on how we could provide mutual assistance in delivering eldercare services to our employees.

In order to create a viable service with an appropriate level of funding, we needed other corporate partners and, in 1988, teamed with two other major corporations in the area agency on aging to found the New York City Partnership for Eldercare.

Comprehensive services, including outreach activities, educational seminars, preretirement seminars, and individual counseling and referral services are provided to employees on behalf of their older relatives. The focus of the program is to provide education, information, and referral services, rather than case management.

All three corporations have renewed their agreements with the New York City Department for Aging over the past 6 years. We are particularly pleased with the ability of the area agency on aging and its partnership program to link with other area agencies around the country to address the long-distance caregiving needs of our employees.

Each year, our utilization of the eldercare information and referral service has increased. In 1992, more than 5,000 New York City-based American Express employees attended seminars or received educational materials, and almost 200 employees used the individual counseling and referral. In 1993, we are already seeing a 90 percent increase in individual counseling and utilization over last year.

The New York City Partnership for Eldercare has been so successful that American Express embarked on similar partnerships in Fort Lauderdale and Jacksonville, Florida, in 1991 and 1992.

From the inception of the New York City partnership, there was not a specific intention for the New York City area agency on aging to raise money or make a profit from the revenues generated by fees paid by the corporations. The area agency was well aware that it had to cover all expenses and not use any government-paid staff or resources.

However, there has been an anticipation that if enough companies engaged in the partnership to deliver services to their employees, economies of scale would provide some revenues that potentially could be used to expand the available resources in the community at large. Creative marketing of seminars has generated additional income, and now a fourth company has signed a contract for comprehensive services.

While providing invaluable services to many American Express employees, the partnerships for eldercare have provided a means by which to lessen demands on the already overtaxed government services. These public/private partnerships benefit their own communities, relieve the system of demand, and provide additional resources, with no added cost burden.

In Fort Lauderdale, American Express employees volunteered their services to renovate completely a senior center in an impoverished neighborhood. The needs of the center became known to our employees through the Florida Partnership for Eldercare, sponsored by the Fort Lauderdale area agency on aging.

We have also realized a better informed business community, especially those not directly attached to the elder or eldercare community. As a result, we have become more sensitive to and aware of the unmet needs of the older population, as in the Fort Lauderdale senior center.

We are also better able to serve the communities in which we live and work. We are partially funding and participating in eldercare projects through the American Business Collaboration for Quality Dependent Care. In New York City, the ABC is starting a home companion project which will attract employees and other members of the community to volunteer as companions for frail elderly.

The services will be available to the elder relatives of the employees of the partnering companies as well as to the community at large. Fulfillment of the project will be in conjunction with the New York City Partnership for Eldercare and self-help community services. This truly is a public/private partnership.

When the New York City Partnership for Eldercare sustained water damage from a fire in their building, the partners provided funding to replace damaged materials. We knew the partnership

operates on a very tight budget and had this need. Over the years, American Express has supported the expansion of weekend meals for the homebound elder through the Department for Aging's program.

Continually, we hear from employees who have successfully used these many services. Several employees or their older relatives have offered their time to volunteer, as a direct result of their contact with the eldercare information and referral services. It is obvious that the benefits to the community are directly related to the existence of these relationships created by public/private partnering with the area agencies on aging.

I have enclosed for you a copy of our American Express Values. You will note that one is "Being good citizens in the communities in which we live and work." Certainly, our public/private eldercare partnerships have helped us fulfill that value.

You have also asked me to comment on how the Federal Government can assist area agencies on aging and Older Americans Act service providers in seeking public/private partnerships. There are tremendous challenges on both sides to making public/private partnerships successful. I can describe for you why the New York City partnership has been so successful.

Companies need to understand that the area agencies on aging do not have the same level of resources as corporations on a day-to-day basis. Likewise, the AAAs need to understand that the corporation is not providing philanthropy but, rather, purchasing a service—in this case, for its employees.

The same level of professionalism, image, and quality of service which we, as corporations, expect of our employees we expect of any vendor who deals, either directly or indirectly, with our employees.

We expect results useful to the company and to the communities in which we operate and live. A good public/private partnership needs to have the readiness to achieve this relationship and understand the businesses' needs. Each corporation has its own culture and way of operating. Our New York City Partnership for Eldercare offers customization of services and flexibility as a vendor to each of the four participating corporations. We have also had two other partnerships in Florida. Because of the success in New York City, we anticipated that same level of readiness in Florida.

We have become more enlightened to the limitations and variabilities of different area agencies. This readiness level and ability to communicate in a business style, with an openness to partner, is technical expertise which the Federal Government, or perhaps even another public/private partnership, might offer to the local area agencies on aging, which are typically much smaller and have fewer resources than the companies with whom they might partner.

Also, because the area agencies are responsible for services in a limited geographic area, they may not be able to meet the needs of companies that are national and wish to deal with one agency rather than many across the country.

In conclusion, Chairman Martinez and members of the committee, I have tried to convey to you both the feasibility of successful public/private partnering as well as ways of facilitating these part-

nerships. I am deeply grateful for the opportunity to address you today and would be happy to answer any questions you have. Thank you.

[The prepared statement of Barbara R. Katersky follows:]

STATEMENT OF BARBARA R. KATERSKY, VICE PRESIDENT, EMPLOYEE RELATIONS,  
AMERICAN EXPRESS COMPANY

Thank you Chairman Martinez and members of the committee. My name is Barbara Katersky. I am Vice President-Employee Relations at American Express.

I appreciate this opportunity to testify before the committee about the critical issue of eldercare and the delivery of services through public/private partnerships. My position at American Express has afforded me the opportunity to learn first hand of the deep emotional and financial strain that can affect employees who provide extraordinary care for elderly dependents. This strain in turn can affect their ability to be productive at work and fulfill the demands of their jobs. I have also had the opportunity to be a part of a highly successful public/private Partnership for Eldercare in NYC and the start-up of two partnerships in eldercare in Florida, all with the Area Agencies on Aging.

The committee is to be commended for its in-depth review of the GAO report on Eldercare Public/Private Partnerships and Older Americans Act programs. Today's session will enable us all to learn more about making these relationships successful; to share our experiences; to identify how we can provide a framework for expanding these programs; and to develop new ideas about meeting the growing needs of people who have caregiving responsibilities.

You have asked me to address the feasibility of public/private partnerships to leverage private-sector resources for public Older Americans Act services. I will start with a short history of the NYC Partnership for Eldercare.

After our Employee Assistance Program and Human Resources managers heard from our employees of their often desperate needs for assistance in identifying and locating resources for their elder relatives, our philanthropic program approached the NYC Department for Aging, which is the Area Agency for Aging for the City of New York, on how we could provide mutual assistance in delivering eldercare services to our employees. In order to create a viable service with an appropriate level of funding, we needed other corporate partners and, in 1988, teamed with two other major corporations in the Area Agency on Aging to found the NYC Partnership for Eldercare. Comprehensive services, including outreach activities, educational seminars, preretirement seminars and individual counseling and referral services, are provided to employees on behalf of their older relatives and friends. The focus of the program is to provide information and referral services rather than case management.

All three corporations have renewed their agreements with the NYC Department for Aging over the past 6 years. We are particularly pleased with the ability of the Area Agency on Aging and its partnership program to link with other Area Agencies around the country to address the long-distance caregiving needs of our employees. Each year our utilization of the eldercare information and referral service has increased. In 1992, more than 5,000 American Express employees attended seminars or received educational materials and almost 200 employees used the individual counseling and referral. In 1993 we are already seeing a 90 percent increase in individual counseling and utilization over last year. The NYC Partnership for Eldercare has been so successful that American Express embarked on similar partnerships in Ft. Lauderdale and Jacksonville, Florida, in 1992.

From the inception of the NYC Partnership, there was not a specific intention for the NYC Area Agency on Aging to raise money or make a profit from the revenues generated by fees paid by the corporations. The Area Agency was well aware that it had to cover all expenses and not use any government-paid staff or resources. However, there has been an anticipation that if enough companies engaged the Partnership to deliver services to their employees, economies of scale would provide some revenues that could be used to expand the available resources in the community at large. Creative marketing of seminars has generated additional income and now a fourth company has signed a contract for comprehensive services.

While providing invaluable services to many American Express employees, the partnerships for eldercare have provided a means by which to lessen demand on the already overtaxed government services. These public/private partnerships benefit their own communities, relieve the system of demand, and provide additional resources, with no added cost burden. In Ft. Lauderdale, American Express employees

volunteered their services to renovate completely a senior center in an impoverished neighborhood. The needs of the center became known to our employees through the Florida Partnership for Eldercare, sponsored by the Fort Lauderdale Area Agency on Aging. We have also realized a better informed business community, especially those not directly attached to the elder or eldercare community. As a result, we have become more sensitive to and aware of the unmet needs of the older population, as in the Ft. Lauderdale senior center. We are also better able to serve the communities in which we live and work. We are partially funding and participating in elder projects through the American Business Collaboration for Quality Dependent Care. In NYC, the ABC is starting a home companion project which will attract employees and other members of the community to volunteer as companions for frail elderly. When the NYC Partnership sustained water damage from a fire in their building, the partners provided funding to replace damaged materials. We knew the Partnership operates on a very tight budget and had this need. Over the years, American Express has supported the expansion of weekend meals for the homebound elderly through the Department for Aging's program. Continually, we hear from employees who have successfully used these many services. Several employees or their elder relatives have offered their time to volunteer, as a direct result of their contact with the eldercare information and referral services. It is obvious that the benefits to the community are directly related to the existence of these relationships created by public/private partnering with the Area Agencies on Aging.

I have enclosed for you a copy of our American Express Values—you will note that one is "Being good citizens in the communities in which we live and work." Certainly, our public/private eldercare partnerships have helped us fulfill that value.

You have also asked me to comment on how the Federal Government can assist Area Agencies on Aging and Older Americans Act service providers in seeking public/private partnerships.

There are tremendous challenges on both sides to making public/private partnerships successful. I can describe for you why the NYC Partnership has been so successful. Companies need to understand that the Area Agencies on Aging do not have the same level of resources as corporations on a day-to-day basis.

Likewise, the triple A's need to understand that the corporation is not providing philanthropy but, rather, purchasing a service, in this case for its employees. The same level of professionalism, image, and quality of service which we as corporations expect of our employees, we expect of any vendor who deals either directly or indirectly with our employees.

We expect results useful to the company and to the communities in which we operate and live. A good public/private partnership needs to have the readiness to achieve this relationship and understands the businesses' needs. Each corporation has its own culture and way of operating; our NYC Partnership for Eldercare offers customization of services and flexibility as a vendor to each of the four participating companies.

We also have had two other partnerships in Florida. Because of the success in NYC, we anticipated that same level of readiness in Florida. We have become more enlightened to the limitations of and the variabilities of different Area Agencies.

This readiness level and ability to communicate in a business style, with an openness to partner is technical expertise which the Federal Government might offer to the local Area Agencies on Aging, which are typically much smaller and have fewer resources than the companies with whom they might partner. Also, because the Area Agencies are responsible for services in a limited geographic area, they may not be able to meet the needs of companies that are national and wish to deal with one agency rather than many across the country.

In conclusion, Chairman Martinez and members of the committee, I have tried to convey to you both the feasibility of successful public-private partnering as well as ways of facilitating these relationships. I am deeply grateful for this opportunity to address you today, and would be happy to answer any questions you might have.

Thank you.



American Express  
**BLUE BOX VALUES**



All our activities and decisions must be based on,  
and guided by, these values.



Placing the interests of Clients and  
Customers first.



A continuous Quest for Quality  
in everything we do.



Treating our People with respect and dignity.



Conduct that reflects the highest standards  
of Integrity.



Teamwork—from the smallest unit to the  
enterprise as a whole.



Being Good Citizens in the communities  
in which we live and work.



To the extent we act according to these values, we believe  
we will provide outstanding service to our clients and  
customers, earn a leadership position in our businesses and  
provide a superior return to our shareholders.

**Eldercare has been called the employee concern of the future, and with good reason.**

According to statistics, family members currently provide as much as 80 percent of the assistance given to elderly relatives. More often than not, those family caregivers also have full-time jobs. Caring for an older parent or other relative can be a complex task involving the need to coordinate many different services and to have a thorough knowledge of the public benefits available. When the caregiver also has a full-time job, these additional responsibilities cannot help but have an impact on productivity, quality of work and morale. Employee caregivers may be distracted on the job, may have to spend more time on personal calls that can only be made during working hours, or take more time off because of the need to take ailing parents to the doctor, arrange for home health services or handle financial matters.

Given the growing number of caregivers in the work force, it is not surprising that the most forward thinking of our nation's corporations have begun to realize that offering employees professional assistance in locating appropriate eldercare resources is simply good business. The Partnership for Eldercare of the New York City Department for the Aging offers a unique response to the needs of employers and working caregivers.

### **The Partnership for Eldercare—**

#### **A Comprehensive Approach**

The New York City Partnership for Eldercare is a program that helps working caregivers who are trying to balance job responsibilities and care of an elderly relative. It began as a demonstration project developed by the New York City Department for the Aging and funded by grants from The American Express Company, Philip Morris and J.P. Morgan & Co. Incorporated. Eldercare provides guidance and information about available services to help current caregivers but also emphasizes education to prepare families to meet future needs.

The Partnership for Eldercare is unique in that it offers a mix of approaches, giving participating employers the option to choose any or all of the offered services, according to their corporate needs.

### Group Services

The Partnership for Eldercare offers a variety of services both to assist current caregivers and to make future caregivers aware of available services so that they will be able to make informed decisions and be better equipped to handle situations when they do arise. To that end, we

- conduct on-site informational seminars for employees on such topics as government benefits, community services, legal and financial planning, home care and nursing home placement
- organize on-site peer support groups
- set up small, problem-solving, on-site Caregiver Exchange groups offering employees opportunities to discuss with an Eldercare specialist specific topics such as communicating with elderly relatives, coping with social and financial concerns, choosing appropriate care
- set up on-site information booths for employees at health or benefit fairs to disseminate information and counsel employees
- participate in pre-retirement seminars

### Individual Services

The Partnership for Eldercare also assists individual employees in resolving specific problems. All services we provide to employees on an individual basis are carried out in complete confidentiality. Such services include

- providing information and consultation to individual employees to assist them with their eldercare concerns, including help in assessing their service needs, referral to appropriate services and case follow-up
- maintaining a special telephone line that employees can call for counseling or to discuss specific problems
- providing assistance in "long-distance caregiving" to employees with elderly relatives in cities across the country through our nationwide network of state and federally designated local Area Agencies on Aging

### Employer Services

The Partnership offers services to employers, as well, by helping management personnel who administer employee relations and benefits programs. Such services include

- training and technical assistance for the Human Resources Department, Employee Assistance Program and other supervisory personnel
- assistance to on-site personnel in planning outreach and publicity for eldercare benefits, including announcements or brochures, articles for employee newsletters and corporate magazines, and informational materials for employee benefits packages

### Public Education

To promote better public awareness of the aging in our society and of the needs of the elderly and family caregivers, the Partnership for Eldercare offers seminars to municipal agencies and also makes presentations to a variety of businesses, local and national voluntary organizations, to the professional community and to the general public.

### Unique Features

The Partnership for Eldercare of the New York City Department for the Aging is unique in a number of respects:

- Rather than a single service model, we offer a menu of services from which employers may select those that best fit their respective needs and corporate cultures.
- We emphasize education for pre-caregivers as well as current caregivers so that they can know what resources are available and can prepare in advance, before a crisis occurs, not only to care for elderly parents, but to meet their own future needs.
- Our Caregiver Exchange Series offers a more cost-effective approach to presenting information by providing the opportunity for employees to meet with an eldercare specialist in small groups, rather than individually, to discuss mutual concerns about specific topics.
- We serve both private and public sector employees.
- The New York City Department for the Aging is part of a nationwide network of 57 State Offices and 670 federally designated local Area Agencies on Aging, offering a greater exchange of experience and program information and the ability to assist long-distance caregivers.

### The Employer Advantage

There are a number of reasons why employers find it to their advantage to assist with eldercare:

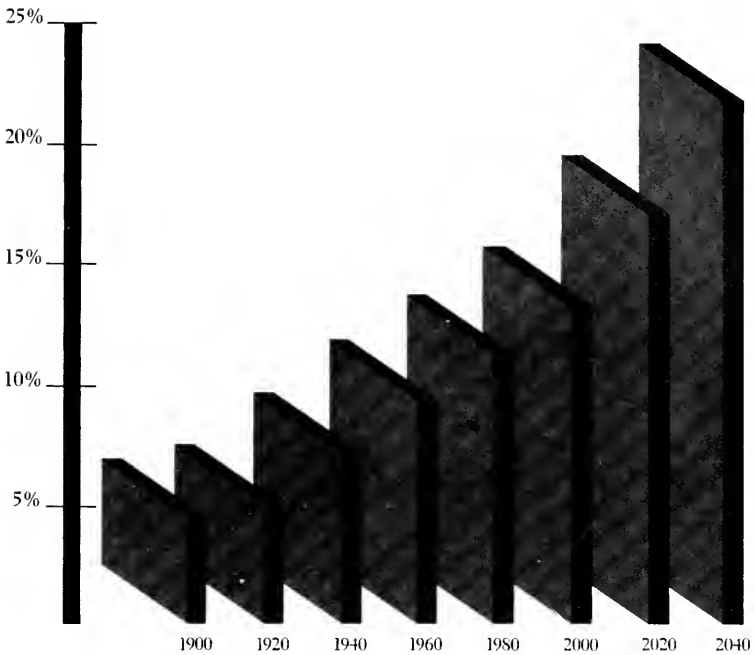
- Reducing employee stress increases productivity and quality of work.
- Helping employees to assess their needs and locate appropriate support services results in decreased absenteeism.
- When workers perceive their employer is trying to help them, they feel good both about the employer and about their jobs.

For more information about The New York City Partnership for Eldercare, please call Barbara B. Lepis, Director, at **212-577-8631**.



**NEW NUMBER  
212-442-3113**

Thanks to the scientific advances of recent decades, individuals 75 and over now represent the fastest growing age group in our society. More elderly people than ever before are likely to need assistance in daily living.



The Aging of America  
Percent of Population over age 65

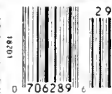
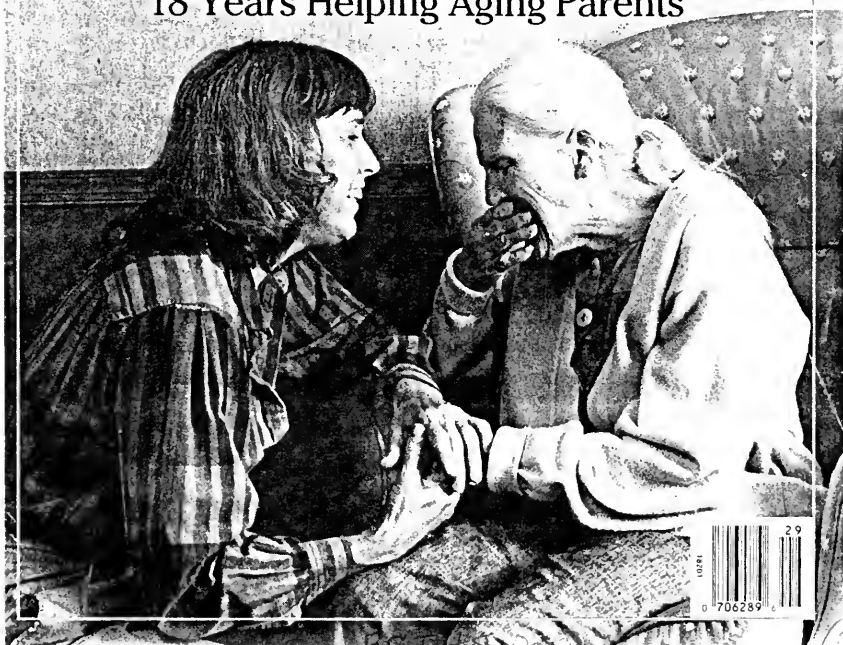
**THE PENTAGON'S DRUG WAR**  
A Secret Plan to Crush the Cartel

July 16, 1990 : \$2.50

# Newsweek

## The Daughter Track

The Average American Woman  
Spends 17 Years Raising Children and  
18 Years Helping Aging Parents



AGING

# Trading Places

**I**n 1969, when Dot von Gerbig was a young widowed mother, her parents moved in to help. Gradually their roles reversed. Now her mother, 84, is mentally confused; her father, 92, is in a wheelchair. Both are legally blind. Von Gerbig, 52, works full time. Her second husband and their son, 15, willingly share the care. Says her father, James Wilroy: "I shudder to think what I'd do if we didn't have Dot."



NEWSWEEK JULY 16, 1990

## More and more women are on the Daughter Track, working, raising kids and helping aging parents

**L**ike many daughters of aging parents, Sandy Berman didn't recognize at first how far her mother and father had slipped. "You are so used to your parents being mentally competent that you don't realize what you're dealing with for a long time," says the Northridge, Calif., schoolteacher, 47. Her parents had been living with trash piling up in their home for almost a year when Berman finally convinced them to move closer. But the move only hastened their decline. Berman's father, 83, became forgetful and overdosed on his insulin. Her mother, 74, couldn't find her way from the bedroom to the bathroom. For months, Berman called every morning before going to work, and stopped by every afternoon. "I was going to make everything right, and better and perfect," she says. "But everything I did turned into mush."

While her mother was sweet and cooperative, Berman says, age turned her father mean. He called at all hours of the night and thought his daughter was stealing his money. He hired a detective and changed the locks on the door. Berman was haunted by anxiety attacks. Her job teaching third grade was her only refuge. "When the bell rang at the end of the day, my stomach started to clench," she says. She worried that she was neglecting her husband and son, and longed to be mothered herself again. She lost 30 pounds and had fantasies of running away. "*San Fernando Valley schoolteacher disappears. No one knows why she didn't come home for dinner...*"

In February 1989, Berman snapped. "I was nurturing at home, at school and at my parents', and getting nothing back," she says. She quit work and stopped seeing her parents for two months, all the while making decisions for them with the help of a geriatric counselor and a lawyer. Diagnosed with Alzheimer's disease and paranoia, her father went from one nursing facility to another, and died in May 1989. Berman found a board-and-care home for her mother and enrolled her in an adult day-care center to keep her mind stimulated. These days, Berman visits her twice a month, and calls once a week, though her mother doesn't seem to know if she has called or not. Berman has returned to work, but she still wonders—and always will—"Did I do the right thing?"

Anguish, frustration, devotion and love. A fierce tangle of emotions comes with parenting one's aged parents, and there isn't time to sort out the feelings, let alone make dinner, fold the laundry and get to work. More than 6 million elderly Americans need help with such basics as getting out of bed and going to the bathroom; millions more can't manage meals, money or transportation. Most are cared for by family

members, at home—for free—and most families wouldn't have it any other way. There are myriad variations: "children" in their 60s looking after parents in their 80s; spouses spending their golden years tending ailing mates; empty nesters who had paid the last tuition check only to have an aged relative move in. Increasingly, men are shouldering such responsibilities. Still

three-fourths of those caring for the elderly are women, as it has always been. "Until the last couple of decades, women were home," explains Diane Piktalis of Work/Family Directions, a Boston consulting firm. "Caregiving was their job."

But today they have other jobs as well. More than half the women who care for elderly relatives also work outside the home, nearly 40 percent are still raising children of their own. In fact, just when many women on the "Mommy Track" thought they could get back to their careers, some are finding themselves on an even longer "Daughter Track," with their parents, or their husband's parents, growing frail. The average American woman will spend 17 years raising children and 16 years helping aged parents, according to a 1988 U.S. House of Representatives report. As the population ages and chronic, disabling conditions become more common, many more families will care for aged relatives. And because they delayed childbirth, more couples will find themselves "sandwiched" between child care and elder care. The oldest baby boomers are now in their mid-40s; their parents are mostly in their late 60s and early 70s, when disabilities tend to begin. In the next few years, predicts Dana Friedman of the Families and Work Institute, there will be a "groundswell of baby boomers experiencing these problems."

The strains on women, long evident in their personal lives, are now showing up in the workplace. In recent years, about 14 percent of caregivers to the elderly have switched from full- to part-time jobs and 12 percent have left the work force, according to the American Association of Retired Persons. Another 28 percent have considered quitting their jobs; other studies have found that just what's aboveboard. Many employees are afraid to let on that they spent that "sick day" taking Mom to the doctor, visiting nursing homes or applying for Medicare. Many women shop, cook and clean for their parents before work, after work and on lunch hours, stealing time to confer on the phone during the day. "Caring for a dependent adult has become, for many,

a second full-time job," says Bernard M. Kilbourn, a former regional director of the U.S. Health and Human Services Department, now with a consulting group, Caregivers Guidance Systems, Inc.

To date, only about 3 percent of U.S. companies have policies that assist employees caring for the elderly. But Friedman predicts that such programs will become "the new, pioneering benefit of the 1990s." Businesses may have no choice. With the baby bust sharply reducing the

## A Phone Call Away

A wide variety of services is available to help elderly people at home. To learn what's offered in your community, start with the state or local aging office. Here's a summary of some programs:

**Home Health Services:** These are professional caregivers who help the homebound. A *home health aide* assists with such personal chores as bathing and dressing; a *physical therapist* can help patients overcome an illness or physical injury; a *visiting nurse* monitors a patient's condition and consults with the physician.

**Adult Day Care:** These programs provide recreation and some medical services. The cost—about \$30 a day—is much lower than home health care.

**Meals on Wheels:** In many communities, hot meals are delivered at home, five days a week, to people who cannot cook.

**Emergency Response Systems:** Elderly people can wear a radio transmitter which they activate by pushing a button. A message is then sent to a local hospital or police station and an emergency contact.

**Case-Management Services:** These geriatric care managers assess needs and coordinate community services. The National Association of Private Geriatric Care Managers (513-222-2621) will provide free referrals nationwide, as can hospital social workers and community agencies.

number of young workers entering the job market, the U.S. Bureau of Labor Statistics warns that 80 percent of the growth in the labor force this decade will be women, virtually all aged 35 to 54. "This is the age group that's feeling the brunt of child-care responsibilities," says the BLS's Jesse Benjamin. "This is also the age group where elder care hits. It's a double whammy."

Congress is encouraging more family friendly work policies—at least, it has tried. After five years of debate, lawmakers

recently passed the Family and Medical Leave Act, requiring companies with more than 50 employees to grant them up to 12 weeks' unpaid leave to care for newborn or adopted children or relatives who are seriously ill. But President George Bush vetoed the bill, on the ground that government should not dictate corporate benefits.

American society is just waking up to the needs of an aging population. Even the words "elder care" and "caregiver" are new to the lexicon. Now, "there's a name

and a description, and people are beginning to say, 'I fit into that,'" says Louise Fradkin, cofounder of the support group Children of Aging Parents (CAPS), which has more than 100 chapters nationwide. For years, Fradkin says, caring for aged relatives was a hidden responsibility, one that most women assumed in silence. Even the major feminist groups have been slow to make it a cause. The National Organization for Women, for example, has been more concerned with abortion rights and advancement for women in the workplace than with family roles. "The problem today's midlife woman faces is that the rhetoric of the '70s and the realities of the '90s are somewhat discordant," says Michael Creedon of the National Council on the Aging.

Only the Older Women's League (OWL), a Washington advocacy group, has made elder care a pressing issue. "No matter what else we talk about, our members always come back to caregiving—it has a big impact on all their other roles," says OWL executive director Joan Kuriansky. "We get letters from women who are taking care of their children, and their parents and possibly their parents. They are running from place to place. How do we expect them to do that and stay employed?"

**T**hat is the dilemma of the Daughter Track. While women have become a major force in the American workplace, their roles as caregivers remain entrenched in the expectations of society and individual families. "Often it's the woman's own sense of what's required of her," says Kuriansky. "Some of it is emotional. Some of it is economic—she may feel that she cannot contribute financially as much as a man does." And just as with child care, says CAPS's Fradkin, "women feel they have to be superwomen and do it all themselves."

Those who do ask for help at home are often frustrated. Many husbands are unable—or unwilling—to confront the emotional demands of elder care, even when the aged parents are their own. Two years ago, Pamela Resnick of Coral Springs, Fla., quit her job and moved her ailing father-in-law in. While he was in and out of hospitals, she says, "he always wanted to see me—not even my husband. My husband doesn't deal very well with that type of scene." Joan Segal, 49, who quit her job to care for her mother, threatened to leave her husband unless he helped her mother more (page 53). Since then, Segal says, "he's so protective you'd think she was his own mother."

Grandchildren may also be swept into the changing family dynamics, and that adds to the guilt many women feel. Kristeen Davis, 43, a divorced accounting supervisor, has cut down her work hours since her 63-year-old mother, an Alzheimer's victim, came to live with her in



CHARLES RHODES

JUDY BURKE

**F**or many daughters looking after elderly parents, adult day-care centers provide needed relief. Without that help, Charles Rhodes of Kansas City, Mo., probably wouldn't be able to manage caring for her 71-year-old mother, Arana Whytus. Rhodes, 51, works for the Kansas City Housing Authority and attends the University of Missouri two nights a week. "I rarely get to bed before midnight," she says. Her mother has had a long string of medical problems, culminating in kidney disease and a mild stroke in 1987. When the doctor said Whytus would have to have live-in help or go to a nursing home, Rhodes, who lived in Chicago, knew she couldn't deal with the situation long distance. She quit her job and moved to Kansas City. At first, Rhodes stayed in her mother's apartment in a senior citizens' housing complex. Then she cashed in a life-insurance policy, bought her own house and moved her mother in; she found a job and the day-care center. Though it has been difficult to watch her mother decline and she now has virtually no social life, Rhodes says she has no regrets: "I've been so blessed."



HILDEGARDE REBENACK

**C**hildless couples have only each other for support when they get old and most often, wives take care of their husbands. For nearly a decade, Hildegard Rebenack, 69, has watched her 78-year-old husband, Robert, deteriorate from Alzheimer's disease. Robert was a bank examiner, a man proud of rising above his eighth-grade education. Now, he spends his days staring at a collection of stuffed animals in their Metairie, La., home. This wasn't the retirement they planned. "My family and his are scattered around, and we figured we'd do a fair amount of traveling," says Hildegard, who worked for a coffee importer. They had expected to be financially secure, but Alzheimer's changed everything. Robert was diagnosed in 1982. By 1984, he could no longer be left alone and, two years later, Hildegard had to put him in a nursing home. His care cost about \$22,000 a year but Robert's retirement benefits placed him just above the Medicaid cutoff. Last March, the latest price hike forced her to bring him home. "We had 37 good years together," says Hildegard, her voice breaking. "But the last six years have been hell."

Kansas City. Still, Davis's 13-year-old daughter must be home by 3:30 each day when her grandmother returns from an adult day-care center. "It's been hard on all of us," says Davis. Yet she says her mother "did for me when I was young. What's a couple of years out of my life?"

Time is often the most precious commodity for caregivers. "We were used to being George and Nancy with no kids at home," says Nancy Erbst, 38, of Minneapolis, whose mother-in-law, Hazel, lived with them for four years. "We used to take off on weekends and go camping. Our camping went down to one weekend in the summer." Nancy, an executive secretary, was also working to earn a bachelor's degree at the time. She would get up at 4 a.m. to study, then tend to Hazel before leaving for work at 7:45. Her husband's two grown daughters, who lived nearby, also helped watch over their grandmother until last spring, when her deteriorating health forced her into a nursing home. "It's what a family does for each other," Nancy says. "It's something you want to do."

Not all families rally so gracefully. Deciding who should do the caring, and where, can stir up old sibling rivalries—and create new bitterness. For several years, Linda Hunt, a 54-year-old Kansas widow, has been the primary caregiver for her mother, now in a nearby nursing home. Her brother has been mostly uninvolved. "Sometimes when he calls, he doesn't ask about her," she says. "It sets me hard against him."

Responsibility for an elderly relative usually falls to the woman who is nearest. And sometimes no one is close. Roughly one third of caregivers manage care for their

aged parents long distance, assessing changing needs over the phone and with reports from neighbors. Even though her mother and father lived in a residential community that provided housekeeping and meals, Saretta Berlin, 60, flew from Philadelphia to Ft. Lauderdale, Fla., every 10 days during much of 1989, when her parents were failing. "I would tell myself that if I just made it to the plane, I would be OK," she says. "Then perfect strangers would ask me how I was doing, and the floodgates would open." Even now, with

her father dead and her mother in a retirement home, Berlin calls daily and visits every three weeks or so.

As Berlin found, even when families put a parent in a nursing home, their responsibilities don't end. Many grown children rearrange their lives to visit as often as possible, and field lonely phone calls, night and day. Only about 10 percent of the disabled elderly are in such facilities—and the decision can haunt their families long afterward. Linda Hunt still feels guilty about putting her mother in a home three years

ago—even though she was blind and Hunt was holding down two full-time jobs. "You think you should be able to do it all, but you can't," she says. "First you care for your children, then your mother. Pretty soon you just give your whole self to other people."

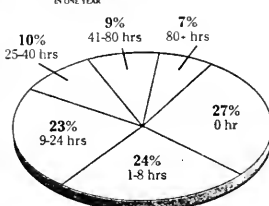
Unlike child care, the responsibilities of elder care often come suddenly. A stroke or broken hip can mean the difference between a parent living independently and needing round-the-clock care. And while a child's needs can be planned for, an older person's requirements are often difficult to assess. Can Dad still manage in his own home? Will he need care for a few months—or many years? What's more, says Kilbourn, "in dealing with your parents, you do not have total control. Any decision... can be met with resist-

## Time Off to Help Out

In a survey of 7,000 federal workers, nearly half said they cared for dependent adults. Of those, three quarters had missed some work.

### Hours of Work Missed

IN ONE YEAR



SOURCE: DEPT. OF HEALTH AND HUMAN SERVICES SOTTOCHEN-NEWSWEEK

ance if not total refusal to cooperate."

Reversing roles is one of the hardest aspects of caring for an aged parent. Kristen Davis says her mother was "a really sharp lady—and one of my best friends" before Alzheimer's set in. Now, Davis says, "sometimes she just sits there like a little lump that used to be a person." Elderly people find it even harder to relinquish their old parental roles. Many are desperately afraid of burdening their busy children, yet desperately afraid of being alone.

Dot von Gerbig's mother and father moved in to help her in 1969, when she was a widow raising small children. Today, they still share her Honey Brook, Pa., home, along with her second husband and their 15-year old son. Von Gerbig's father, 92, is confined to a wheelchair; her mother, 84, is

mentally confused, and both are legally blind. Before leaving for work at 7 a.m., von Gerbig arranges every aspect of their lives, laying out clothes and organizing food in the refrigerator, so they can manage by themselves until she returns. "So far, we're making it," says von Gerbig, 52. But she lives in fear that something will go wrong and make her break her vow to keep them out of a nursing home. What troubles her even more, she says, is how terribly cruel the aging process is. "It makes me angry and it makes me fearful," she says. "It's an awful thing that a person does a good job all his life and this is his reward."

Most caregivers lament that they can't do more for their parents. Some of the toughest constraints are financial. Medicare does not cover the costs of long-term

care, anywhere. Medicaid will pay for nursing homes, and home care in some states, but only after a patient has depleted his assets nearly to the poverty level. Thus, many elderly people exhaust their life savings paying for care, and families dig deep into their own pockets to help them.

Many married women, particularly those in low-paying jobs, find it cheaper to quit work and care for aging relatives themselves than to hire home health care. Professional women are less inclined to quit and more apt to hire help. Many are torn between the parents they cherish and the work they love. Just when many have gotten a long-awaited promotion, they find their parents in need of care.

Charlotte Darrow decided she had to abandon her career as a social psychologist

## Day Care: Bridging the Generation Gap



KEN FELDMAN—BLAUNSTEIN

**A pioneer in family-oriented benefits: Young and old get together at Stride Rite's new center**

The Stride Rite Corp. has long been a pioneer in family-oriented employee benefits. In 1971 the Cambridge, Mass., shoe manufacturer opened one of the nation's first corporate day-care centers. The facility now has a capacity enrollment of 55 kids, 15 months to 6 years, and this year welcomed some new participants: seven elderly people. Stride Rite's Intergenerational Day Care Center is believed to be the first mixed-age on-site center in the country.

The project is the brainchild of Stride Rite chief executive officer Arnold Hiatt, 63. "To me, it's an investment, an economic investment," he says. "To the extent that you can help your colleagues with their problems, you integrate them onto the team and you have an advantage over your competition." A few years ago, Hiatt ordered up a study to see if mixing the generations would work at Stride Rite. The 1988 survey indicated that about 25 percent of the workers had some responsibility

for an aging parent and another 13 percent expected to face the issue in the next five years. Hiatt forged ahead with a \$700,000 facility with wings for each group, joined by a common area.

The first elderly participants arrived in February. Although there are only seven now, the center can care for 24 old people, community residents as well as relatives of employees. Karen Leibold, Stride Rite director of work and family programs, attributes the vacancies to the new-

ness of the program. "It takes time to develop your enrollment," she says. One of the women is 73-year-old Josephine Campanelli, grandmother of Rona Campanelli, 25, a Stride Rite real-estate analyst. "I feel tons and tons of gratitude toward Stride Rite for providing such a service," says Rona.

**State subsidies:** Stride Rite says it costs about \$150 to \$170 a week to care for a child, and \$140 for an older person. Employees pay according to income (the company's charitable foundation makes up the difference). Other participants pay the full rate, although state subsidies are available to those who need them.

The elderly people and the children spend some time together but they also have separate activities. One day recently, children in the four classrooms climbed on gym equipment while the elderly women discussed current events in the library. The women also read to the children. After Eva DaRosa, 79, finished the story "Caps for Sale," Vanessa Doleyes, 5, pranced happily about singing "Caps for sale; caps for sale." Her verdict on Stride Rite's social experiment: "I like doing things with the ladies." Adds Doris White, 71: "The children give us life."

BARBARA KANTROWITZ with  
LAUREN PICKER in Cambridge



**S**ome women choose to become full-time caregivers. Joan Segal, 49, is an only child. When her father died last year, she had to look after her 76-year-old mother, Rose, who has arthritis and can't walk. At first, Rose stayed in her own home in Los Angeles with a \$300-a-week housekeeper. Joan, a receptionist, visited every night after work and sometimes stayed over. But, Joan says, "the help was too expensive and they didn't know how to run the house." There were emotional burdens, too. "I felt all alone and at times I didn't know who to run to," she says. Joan and her husband, John, sold their house and Rose's townhouse, and moved to a bigger place. For several months, housekeepers watched Rose while Joan worked. But Joan again grew dissatisfied with the way out-elders cared for her mother. For example, she says, they "didn't know how to clean her up after a diarrheal attack." It was too much for Joan. My mother, she says, "is the most wonderful lady in the world." So Joan quit her job. "My father vowed that he would take care of her," Segal says. "As long as I am able, I will do the same thing."

at Yale and moved to Ann Arbor, Mich., when her widowed mother fell ill in the late 1970s. She spent much of the next seven years cooking and cleaning for her. As a 19-year-old, Barrows says, "I really lost everything—it was much too late to go back and recapture my career." She devoted the next six years to studying how 13 other professional women combined work and caregiving. Her manuscript tells how they hired help and sacrificed weekends, lunches and vacations to spend time with their parents. Despite enormous stresses, all 13 continued their careers. "What these women showed us is that people don't have to say, 'My God, this is a hell,'" says Barrow, 67. "It is possible to go on with a smile."

**W**hat can employers do to make that easier? One of the most helpful things is to do knowledge the situation. "Corporate America needs to create an environment where employees can say, 'I have a problem with an elder who needs care,'" says OWL president Lou Glasse. The Travelers Companies was one of the first to do so, after a 1985 survey found that 29 percent of its workers over 30 cared for an aged parent on an average of 16 hours a week. Travelers started a series of support programs. Today's leader may be The Stride Rite Corp., which this year opened

the nation's first on-site intergenerational day-care center (page 52).

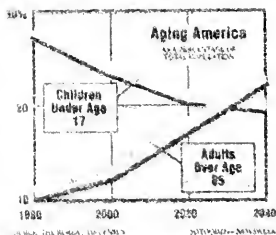
Other forward-looking firms have devised a wide range of programs and benefits. One of the most common, and least costly, is simply to educate employees about social services available in their communities (page 49). Some firms hold lunchtime seminars or "Caregiver Fairs," where local agencies describe their programs. Some publish detailed handbooks for employees, covering everything from how to select a nursing home to how to locate and

pay for respite care. Growing numbers of companies also contract with private consulting firms that can help employees manage care even for relatives in distant cities. Work/Family Directions has developed programs for 21 national firms, linking their clients' employees with 175 agencies across the country. It also provides an 800 number for support and advice. In a few cities, government agencies provide similar services. Employees "don't want a way out of their caregiving responsibilities—they just want some help in coping," says Barbara Lepis, director of Partnership for Eldercare, a New York City program working with American Express, Philip Morris and J.P. Morgan.

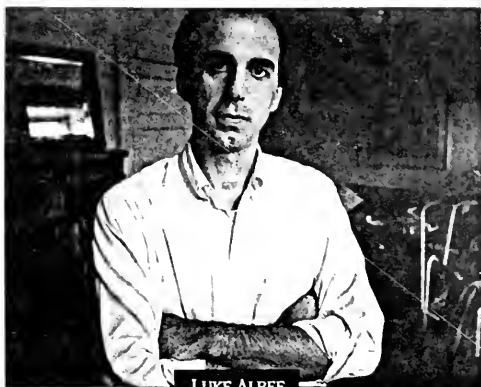
The same Employee Assistance Programs (EAPs) that assist workers with drug and alcohol problems can often help with strains on the home front. In fact, EAP counselors frequently find that caregiving duties are at the root of employees' financial, marital or job-performance difficulties. Teresa Freeman, EAP manager at Travelers, says one employee was referred to her office because she was crying at work; another had been put on warning because she was unable to learn new skills. Both, it turned out, were caring for elderly parents and were cracking under the strain. Freeman formed a support group of caregiving employees. But other firms have found that support groups don't work well in situations where bosses and their subordinates may be reluctant to share intimate problems. Lepis says the chemistry works better when such sessions are called "caregiver exchanges" that deal with a specific topic, such as filling out a medical

## Who Will Care for Us?

**B**y the early 21st century, the percentage of Americans who are older is doubling, while the percentage of young people—caregivers of the future—will sharply decline.



SOURCE: THE BUREAU OF ECONOMIC ANALYSIS, U.S. DEPARTMENT OF COMMERCE



LUKE ALBEE

**A**lthough three quarters of caregivers are women, there are sons as well as daughters who look after aging parents. Luke Albee is an aide to Sen. Patrick Leahy of Vermont. He realized something was wrong with his mother, Constance, when he moved back to Vermont from Washington, D.C., to work on Leahy's 1986 re-election campaign. Constance would get in the shower with her clothes on or set the table for three when there were only two. The diagnosis was probable Alzheimer's disease. Luke, 30, lived with his mother for six months during the campaign, but her condition deteriorated rapidly and he could no longer care for her. Constance moved first to a senior citizens' complex and then to a nursing home. His sisters, who live in New York City, visited on weekends and his brother in Minneapolis took over their mother's financial affairs until she died in February at the age of 65. The Albees could afford to pay for Constance's care but the bill was high—\$25,000 a year. Says Luke: "It nearly drove us over the edge."

form. "Then we are able to get a cross-section of the work force to commiserate together about this stupid form," she says.

Some firms are training supervisors to be compassionate about the demands workers face at home. Managers must also be reminded that the Mommy Track, and the Daughter Track, should not be slower roads to advancement. Otherwise, warned OWL in its 1989 Mother's Day report, "only orphans with no children could be placed on the fast track to professional success."

Growing numbers of firms are granting unpaid leaves to employees with family needs. IBM is perhaps the most generous. Full-time employees can take up to three years off, with benefits, and find their jobs waiting. "If we give our employees help in managing their personal lives, it helps us attract and retain the workers we need," says IBM spokesman Jim Smith. That has proved true at Aetna Life and Casualty as

well. When it extended its family leave from a few weeks to as long as a year in 1988, the turnover rate among its female caregivers dropped from 22 to 13 percent. About 15 percent of U.S. companies offer flexible work hours. Some 35 percent of U.S. Sprint's 16,000 employees are on an "alternative" schedule—flextime, part time or job sharing, though most do so for child care or other reasons. Since January, Travelers has also granted every employee three "family-care days" a year that do not count as absences.

Alas, some elder-care programs are underutilized. In 1987, Remington Products offered to pay half the cost of respite care for workers' dependents during nonwork hours. Two years later, it dropped the program when fewer than six employees had signed up. Michael Creedon, who conceived the idea through his work at the neighboring University of Bridgeport (Conn.), spec-

ulates that Remington's highly ethnic work force may not have been comfortable with the idea of strangers in their home. Indeed, says OWL's Glasse, "many caregivers want to be so supportive of elders that they are reluctant to ask for help" and try to do it all on their own. Out of embarrassment, or their own individual work ethic, many employees are also reluctant to burden their bosses with family problems.

**I**n the end, there is only so much the business world can do to help America's caregivers. Many liberal lawmakers and more than 100 special-interest groups are pressing the federal government to do more. In March, the U.S. Bipartisan Commission on Comprehensive Health Care proposed a giant new long-term care program that would guarantee home health care and three free months in a nursing home to all severely disabled Americans who need it, regardless of age or income. But the price tag—an estimated \$42 billion a year—virtually assures that no legislative action will be taken any time soon.

Even without creating a massive new entitlement program, the federal government could do more to help the elderly and those who care for them. Federal funding for the network of social-service programs serving the elderly is a paltry \$710 million a year; services are sparse and fragmented in many areas. Most offices are open only 9 to 5, forcing caregivers to deal with them during work hours. OWL is pressing the Social Security Administration to rewrite rules that penalize workers who take time out to care for children or aged dependents. Upon retirement, a worker's monthly benefit is determined by averaging his or her earnings over the past 35 years. A zero is entered for any year not worked, no matter what the reason. Caregiving, says OWL executive director Kuriansky, "is a wonderful dimension of woman as nurturer—and it's something we don't want to undermine. But in playing that role, we want to make sure she is rewarded, not penalized."

Most women on the Daughter Track do not want to give up their family responsibilities—no matter what personal or professional sacrifices it entails. Many see their efforts as a chance to repay the time and care their parents gave them—a chance to say, again, *I love you, before it's too late*. What they would like is more understanding at work, more support from the men in their lives, more community services to help them—and a little applause from a world that often turns too fast to take time out for love.

MELINDA BECK with BARBARA KANTROWITZ and LUCILLE BEACHY in New York; MARY HAGER in Washington; JEANNE GORDON in Los Angeles; ELIZABETH ROBERTS in Miami; and ROXIE HANMILL in Kansas City



PARTNERSHIP  
FOR  
ELDERCARE

NEW NUMBER  
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New York, New York 10007

212-577-8631

#### A CASE STUDY

##### How Partnership for Eldercare Helped One Employee Balance Work and Family Responsibilities

Lorraine, a middle manager, has been with the same company for 10 years. She is being considered for an assistant vice president slot, a position she has been working towards. However, during the past month her productivity has been erratic and she has had trouble meeting the deadlines for her projects. Her supervisor has noticed the change and asks Lorraine for an explanation. Lorraine explains that her mother, who is recently widowed, has become dependent on her for care and companionship. She calls Lorraine several times a day, often in tears, and requests that Lorraine help her with some small chore. In addition to these constant interruptions, her mother's situation demands that Lorraine arrive late to work and leave early. She acknowledges that she is having trouble concentrating on her projects, and usually feels distressed, frustrated and angry. Lorraine confides that she is considering taking a leave of absence until her mother's situation is resolved. Her supervisor needs Lorraine to complete the current projects and wants to see Lorraine receive her promotion. The supervisor knows that the company provides the services of Partnership for Eldercare to assist its employees and suggests that Lorraine call for advice.

#### The Contact

The next day, Lorraine called Partnership and talked with an eldercare counselor about how she felt torn between her desire to help her mother and her responsibilities at work. Lorraine explained that her mother had become dependent on her to manage her affairs and provide care and companionship since Lorraine's father died a few months ago.

#### The Assessment

The counselor explained that most people experience a period of depression and dependency after the death of a spouse. By encouraging her mother to be more independent, Lorraine would be helping herself as well as her mother.

### The Referrals

The counselor researched services in the mother's community. She called Lorraine and gave her the following referrals to agencies which can provide a range of services and activities for her mother.

- Home Health Care Agencies
- Widows' Support Group
- Transportation Services
- Friendly Visitors Program
- Senior Centers

The counselor advised Lorraine to discuss the services with her mother and involve her mother in the decision making. The counselor also sent Lorraine literature on caregiving, widowhood, and consumer information on home health care agencies.

### The Follow-Up

The counselor called Lorraine to see how things were going. Lorraine reported that she had hired a home health aid to assist her mother and arranged for transportation to bring her mother to a neighborhood senior center, which also runs a widows' support group.

Lorraine was very appreciative of the understanding and information the counselor provided. Her mother seemed much improved, and her phone calls to Lorraine at work had decreased dramatically. Because her mother's needs were being met, Lorraine could put in a full day at work and return to her usual level of productivity.

### The Evaluation

Six weeks later, Lorraine received a questionnaire asking her to evaluate Partnership's services on a confidential basis. She returned the completed form to the person in her company responsible for coordinating the delivery of eldercare services.



280 Broadway  
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- American Society of Composers, Authors & Publishers
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THE WALL STREET JOURNAL FRIDAY, MARCH 6, 1992

THE WALL STREET JOURNAL

## MARKETPLACE



## WORK &amp; FAMILY

By SUE SNELLENBARGER

## Firms Put Resources Behind Elder Care

**C**OMPANIES try new ways to help employees care for aging relatives from afar.

An estimated one-third of the work force bears care-giving responsibility for older relatives, with about half of that group located more than 100 miles away from the recipient of care. For the employee, the result is often anxiety, hours on the phone and time spent away from work.

One fast-growing service offered by International Business Machines and others is called "resource and referral." This includes telephone networks for counseling, information about services in the elder's community and screened referrals.

When Charles Shaw's 74-year-old mother fell and broke her hip, the Travelers executive flew from his Hartford, Conn., office to her Canton, Ill., home. With information provided by Travelers' resource and referral service, he moved his parents into a nursing home and was back on the job in a few days. The service helped with follow-up care as well.

Education programs are growing. Barbara B. Lapis of Partnership for Elder Care, a venture of New York City and three employers, sees strong demand for seminars on long-distance care giving. She stresses building a support network, including neighbors, clergy and physicians, in the elderly relative's community.

Other companies help prepare for and prevent mishaps, says Michael Creedon, a Vienna, Va., consultant on aging. Southern California Gas offers a video on the "friendly home," with railings, carpets, counters and appliances designed for safety. Such efforts "help the employee look for ways to make the elder's home a secure environment," he says.

# More firms now adding elder care in programs

October 26, 1992 ■ Crain's New York Business ■

BY ROBIN KAMEN

CRAIN'S NEW YORK BUSINESS

Based on a request from one of its employees, NYNEX Corp. has donated funds to an agency that transports the elderly to medical appointments. The Equitable Life Assurance Society has a referral service for workers who care for aging relatives. Eighteen other New York City employers recently joined to support several dependent-care programs, including one that will train companions for elders.

Once focused on child care, family outreach at many companies has been expanded to include elder care. Like working parents, employees with elderly dependents face pressures that can affect job performance, including the need for time off and help with financial planning.

Their bosses are coming to their aid, allowing them to take unpaid leaves and paying for employee assistance programs. Human resource managers say the benefits outweigh the costs, by enabling them to retain and recruit their

**M**ost elder-care initiatives come from the city's biggest firms

best workers.

"When personal issues spill over into the work environment and take away from work time, you have to do something about it," says Penny Breiman, director of health services at Equitable.

So far, most of the elder-care initiatives have come from the city's biggest companies. Small businesses, hit hardest by rising health-care costs, have been reluctant to contract with referral services. Instead, they handle the issue in-house, or don't address it.

But that could change as the city's social-service agencies work to develop low-cost alternatives.

"Professionals in elder care are starting to address what can be done for small businesses," says Barbara Lepis, director of Partnership for Eldercare in the New York City Department for the Aging. "It looks like it will have to be a collaboration."

## Ad agencies come together

The New York Business Group on Health has been working along those lines. The non-profit organization is wrapping up a demonstration project in which advertising agencies banded together to purchase elder-care services.

"It was important to see if it could work in one industry," says Judith Barr, associate director for programs at NYBGH.

Larger corporations have also tried group funding. In New York, 18 companies have joined the American Business Collaboration for Quality Dependent Care, a nationwide initiative that will spend more than \$25 million on dependent-care programs. New York companies, including American Express Co., International Business Machines Corp. and American Telephone & Telegraph Co., have designated more than \$600,000 for child care and elder

care, including a program to provide companions for the elderly.

## Requests for transportation

NYNEX, which started its dependent-care fund as part of contract negotiations with its union, has spent more than \$600,000 on elder care in the last year. To access the fund, employees ask that grants be given to local agencies. R. Michelle Green, director of the Work/Family Initiative at NYNEX, says the company has been "swamped" with applications. Most requests ask for help with transportation.

In addition to donations to elder-care programs, many companies are making their leave policies more flexible. In March, Equitable introduced a program allowing employees with elderly dependents to work part time for up to six months.

The company already offered a full-time leave of up to one year, with job protection for six months. As well, managers are encouraged to let workers keep flexible hours.

"It's a win situation for employers, even though they might not realize it at first," says Joan Waring, assistant vice president for human resources at Equitable. ■

catalyst

# Perspective

Mar 1990

Catalyst, 250 Park Avenue South, New York, NY 10003-1459 (212) 777-8900

## Public/Private Partnerships for Elder and Child Care

### Trends

### A collaborative approach cuts costs.

Today, nearly 2 million women care for their children and their aging relatives. These "Sandwich Generation" women will increasingly seek employers that offer competitive dependent-care benefits. However, from an employer's perspective, on-site child care is costly, and there are few models for elder-care programs. The Federal Government may one day provide assistance, but so far, neither the Act for Better Child Care Services nor the Family and Medical Leave Act has been enacted, and companies and employees are on their own to address the caregiving crisis.

Companies are finding that they benefit from collaborating not only with each other but also with the public sector in developing dependent-care programs. Nonprofit organizations, city agencies and academic institutions can provide a wealth of services and resources that are able to serve a wider constituency if they have corporate support. Last year, for example, nine New York City companies banded together with two local nonprofit

organizations and a college to develop an emergency child-care program available to 15,000 employees (See *Perspective*, December 1989). Collaborating with the public sector can help companies defray costs, expand existing programs and boost their image in the community.

### Company Highlights

### Partnerships enhance creativity.

► To help employees with elder- and child-care responsibilities, **THE STRIDE RITE CORPORATION** became the first American company to open an on-site intergenerational day-care center in March 1990.

To assist with the center, **Stride Rite** has enlisted the help of **Wheelock College**, a Boston-based school that specializes in child care and family studies, and **Somerville-Cambridge Elder Services (SCES)**, a local nonprofit agency that provides assistance to the elderly. Wheelock faculty members are developing the center's curriculum, which will include programs that teach children about aging, and are studying the program's effect on both the employees and their dependents

who use it. The goal of Wheelock's research is to provide a blueprint for other organizations seeking to duplicate the Stride Rite center. **SCES** assists in screening and referring elder clients to the program as well as developing adult-care training models.

According to Karen Leibold, Director of Work and Family Programs for Stride Rite, "The issue of dependent care is too costly for one sector alone to handle. Beyond the cost factor, a private/public partnership brings together different areas of expertise and therefore offers a more enriched and creative approach."

At full capacity, the center accommodates 55 children (ranging in age from 15 months to 6 years) and 24 adults age 60 and over. To foster the relationship between children and elders, the center sponsors such activities as reading and writing stories, playing games, celebrating holidays, cooking, arts and crafts and field trips. It is open to employees as well as to members of the community, some of whom receive state-subsidized membership. Employees pay \$20 to \$130 a week for children, depending on family income, and \$85 a week for elders.

► In January 1988, **THE AMERICAN EXPRESS COMPANY**,

This issue of *Perspective* was made possible by a grant from PPG Industries Foundation

**PHILIP MORRIS and J.P. MORGAN & COMPANY** collaborated with the New York City Department for the Aging to create the Partnership for Eldercare, a two-year pilot program to provide employees with elder-care assistance. "Because the pilot proved so viable, the partnership has continued," explains Barbara Lepis, Director, New York City Partnership for Eldercare.

The companies fund the program, and in turn, they choose Department of Aging services that best fit their needs and corporate cultures, on-site seminars for employees on such topics as legal and financial planning and nursing home placement, individual consultation to assess employees' elder-care needs and referral to appropriate resources, an elder-care counseling "hot-line", and technical assistance for human resources professionals in designing and communicating elder-care benefits packages. Representatives from sponsoring companies meet on a regular basis to discuss the status, strategies and goals of the partnership.

"The benefit of working with the public sector is that we can tailor the program to our own needs. Also, from a philanthropic perspective, our funding helps enhance community services," says Hank Linden, Director of American Express's Employee Assistance Program.

The New York City Department for the Aging is part of a nationwide network of 57 state offices and 670 federally designated local Area Agencies on Aging. According to Lepis, "Companies gain by using these agencies because they have the expertise, experience and

resources already in place to meet their elder-care needs."

With a recently awarded Robert Wood Johnson grant, the agency will determine the success of the Partnership for Eldercare and publish findings in the fall.

#### Action Steps

### Assess needs and appreciate differences.

► *Thoroughly assess employee needs and community resources.* Stride Rite took several years to determine the needs of its employees and to identify community resources. Companies can start by looking at their internal demographics and conducting a survey to identify employees' dependent-care needs.

► *Define each party's role.* "A basic written agreement on the roles, responsibilities and goals of each organization should be established from the start," reports Leibold.

► *Recognize the different work style of public organizations.* "Businesses and nonprofit organizations take different approaches to solving problems. Allowing those differences to work for you rather than against you is critical to the partnership's success," says Leibold.

#### Focus on Catalyst

### Catalyst advises companies.

► Along with the nonprofit organization Child Care, Inc. and Bank Street College of

Education, Catalyst serves as an advisor to the nine companies that comprise the New York City Emergency Child Care Services.

#### Resources

### Catalyst offers dependent-care resources.

► Catalyst's report on alternatives to on-site day care, *Corporate Child Care Options*, provides an overview of dependent-care options and companies that use them. To order, contact Catalyst's Referral Coordinator.

► For fact sheets on child- and elder-care statistics, contact the Referral Coordinator.

► Catalyst's new and updated *Resources for Today's Parents* lists hundreds of national organizations and publications to help employees balance career and family. To purchase individual copies or bulk quantities, contact Maritza Chavez, Publications Assistant.

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## CONFERENCE REPORT: WORK & FAMILY

### Work & Family

#### PARTNERSHIPS, WORKSITE SCHOOLS AMONG TOPICS AT BNA CONFERENCE

A child care subsidy program may be the answer for companies that want to offer more extensive child care assistance than a referral service but for whom an on-site center is not justified, attendees at a session of BNA's Work and Family Conference. The third annual conference was held Oct. 18-19 in Washington, D.C.

Verna M. Brookins, corporate community relations manager with the Polaroid Corp. in Cambridge, Mass., said Oct. 18 that the company has had a subsidy program administered through vouchers since 1971.

The number of company locations and diversity of the workforce made on-site centers impractical, but Polaroid found that child care facilities and day care providers were available in every community. Building from this base, the company developed the voucher system currently in place.

Polaroid enters into contracts with day care providers for the amount that each eligible employee is qualified to receive under the voucher program. The amounts range from 10 percent to 80 percent of the weekly cost of child care, depending upon the individual's household income. The subsidy operates as a dependent care assistance program for tax purposes and is not treated as taxable income unless its value is in excess of \$5,000 a year.

#### Bank's Experience With Vouchers

At NCNB Corp., a bank holding company with headquarters in Charlotte, N.C., a child care subsidy plan has been in operation since January of this year, according to Lynne Aldridge, manager of personnel training.

A survey conducted in the mid-1980s found that the workforce, three-quarters of which is female, "felt alone in the search for day care," Aldridge said. In response to the survey results, the company first instituted flexible scheduling and a child care resource and referral service.

In January 1990, the company launched "Child Care Plus." The program is open to employees with a taxable family income of \$24,000 a year or less. Eligible children must be six years old or younger, and the day care provider must be either licensed or operating legally. NCNB will pay up to \$35 a week to licensed day care providers and up to \$15 a week for legal operators. The company's aim is to improve the quality of day care by encouraging day care providers to obtain licenses, Aldridge said.

Aldridge noted that the company discovered that a pre-tax set-aside account was "not a viable option for employees below a certain income level." "Employees had to pay up front," she said, and "were ruled out by

default." By considering household taxable income for eligibility, the program was open to a greater number of employees, she said.

#### Innovative Programs For School Age Children

Two programs to help employees with school age children were described to conference participants at an Oct. 18 session. One program helps employees find a school that is a good match for their child, the other program provides a school at the worksite.

A large number of parenting problems confronting corporate employees are school-related, and many of these problems are the result of poor choices of public and private schools for children, according to William L. Bainbridge, president and chief executive officer of SchoolMatch by Public Priority Systems, based in Westerville, Ohio. SchoolMatch is a computerized database of 15,889 U.S. public school systems and over 7,000 private, parochial, and international schools.

Large numbers of corporations are currently providing school information to their employees through their benefits programs, Bainbridge said, adding that the "cost is small and the rewards are significant."

Employees who are relocating need such information. In addition, the "school choice movement," whereby parents have the right to select a public school system for their children is creating further interest in school information.

Bainbridge noted that his best customers are employment recruiters. Executives have turned down jobs because their child did not want to go, but a good school match can alleviate some relocation anxiety, he said. Shopping for schools can take time that could be better spent by an employee, he added.

#### Worksite School

A worksite kindergarten at First Bank System in St. Paul, Minn., began its second year of operation this September after a successful first year, according to Barbara Roy, executive director, First Bank System Foundation. The First Bank school is one of several public schools that have opened at corporate sites in the past few years, 8 ERW 1123 (Sept. 10, 1990).

Thirty-three children have enrolled in the school for the 1990-91 school year, according to Roy, who coordinated establishment of the school with the St. Paul Public School System. Half of the students are from First Bank families (who have priority), and some of the families are bank customers, she noted.

First Bank provides the school district with about 3,000 square feet of free classroom space, while the school district, in turn, provides teachers and materials for the children. The kindergarten is paired with an after-school day care component called the Discovery Club, Roy noted.

Roy noted that some unexpected glitches occurred during the school's first year, but they were resolved quickly. Teachers working at the school earn the same

as other teachers but had the added expense of downtown parking. The bank decided to provide the teachers with free parking spots, the bank official said. A problem concerning the drop-off and pick-up of children whose parents did not work at the bank was resolved by making arrangements with a nearby parking garage to permit parking on its ramp for 10 minutes in the morning and afternoon, Roy said.

### Coping With Mental Health Costs

Drug abuse is not the only item driving up the cost of mental health services provided through employee assistance programs, Daniel Conti, assistant vice president at First National Bank of Chicago, told workshop attendees.

First National's EAP, set up in the 1970s to handle alcohol and substance abuse problems through assessment and referral, was not effective at channeling employees with other problems like work and family concerns into appropriate treatment, Conti explained at Oct. 19 conference session. As a result, mental health represented the third highest cost factor of First National's inpatient and outpatient medical costs, ranking behind obstetrical-gynecological and cardiovascular conditions, he said.

First National moved in the late 1980s to a broad-brush program that includes assessment and referral for a range of mental health issues. The company also changed the thrust of its wellness program to hone in on family mental health, Conti said. The bank brought in experts to give lunchtime seminars on topics ranging from child development to alcohol abuse. Employees' response has been overwhelming, he said, adding, "You literally can't get in" some presentations.

Helping employees to manage family problems early in the process can help reduce mental health costs, Conti maintained. At First National, mental health costs have been cut from 15 percent of total outlay for medical claims to about 11 percent, he said. At the same time, more employees are using the benefits, as is evidenced by a rising number of claims. The cost reduction stems from "bringing people in earlier and treating them for a lot less time," Conti said.

### Public-Private Partnership

"It's good business to do business with government," said Barbara Lepis, director, New York City Partnership for Eldercare, which is part of the New York City Department for the Aging.

The Partnership for Eldercare, which was started in 1988, serves 30,000 employees at three corporations in New York City: American Express, J.P. Morgan, and Phillip Morris, Lepis said. The partnership offers a fixed menu of eldercare services that can be adapted to the culture of each corporation, including workplace seminars, management/supervisory training, promotional/outreach activities, and "professionalized and personalized telephone service."

Before the partnership was established, the New York City Department on Aging had an ongoing relationship with the three companies, Lepis said. At the instigation of American Express, the three companies came to the department and said they would be will-

ing to invest philanthropic funds in an eldercare service.

For the first two years of the partnership, it was supported entirely by philanthropic funds, said Lepis. The department has developed a not-for-profit corporation to be able to contract with private companies, Lepis said, and this year, the service is provided by contract on a fee-for-service basis. In 1991, Lepis said the service will be available for a flat fee for a core of services and, above that, on a utilization basis.

A family-friendly workplace is the aim of the city of Los Angeles, according to Joy Picus, a Los Angeles city councilwoman representing the third district and chairman of the council's personnel and labor relations committee.

Speaking at a workshop on public sector programs, Picus said a productive workforce is a necessity, since 80 percent of the city's budget goes toward salaries for between 41,000 and 43,000 city employees.

The position of City Child Care Coordinator was created in conjunction with the establishment of an 11-member City Child Care Advisory Board to implement a child care policy adopted in February 1987, Picus said. The policy's purpose is to expand the supply of quality, affordable child care in Los Angeles.

As part of the policy, Picus said, the city offers a revolving loan fund for improving or making homes adaptable to persons interested in starting a child care facility. Tax incentives also may be given to prospective child care facilitators.

In New Jersey, representatives from a tripartite coalition—the Division of Youth and Family Services, the Division of Women, and the Task Force on Child Care—work together as a team to provide information, technical assistance, and support to interested parties on employer-supported child care, Nicholas R. Scalera, assistant director of the New Jersey Division of Youth and Family Services, told the workshop.

Scalera said former Gov. Thomas Kean (R) decided early in the first year after taking office in 1982 that child care was important. That decision, he said, led to a conference bringing together 100 of the largest private employers in the state in an appeal to join the effort to support the unmet need of child care.

The day after Kean appointed him director and liaison of employer-supported child care, Scalera said he inquired about a budget only to be told there was none. In retrospect, Scalera said, the lack of a budget was helpful since it made outreach necessary.

The tripartite coalition began to design the fabric of the program and the means of implementing it. It provided educational outreach to private businesses, sponsored public conferences, held corporate breakfasts on the subject of child care, and attended conferences in-state and out-of-state that generated publicity and spurred interest, Scalera said.

New Jersey presently provides five state child care facilities and soon will have a sixth, Scalera said. He added that having the state as a model in child care was "extremely important." Talking the executives into doing what the state was not doing led to convincing the state to get involved, he noted. □

# ELDER CARE

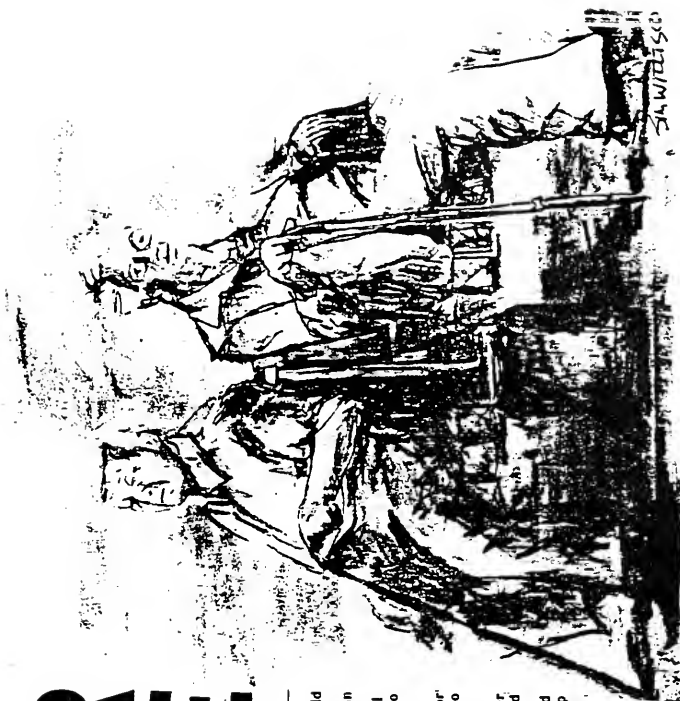
By ROCHELLE JONES  
Special to the Daily News

**WASHINGTON** — Miriam Breyer, a 54-year-old IBM manager, is a virtuoso of the 212 area code. Working in San Diego and caring for an aunt in Manhattan, she has assembled enough telephonic numbers of housekeepers, social workers, apartment cleaners and aging advocates to fill a small address book.

Breyer is one of an estimated 3.85 million Americans trying to juggle careers and the caring for aging relatives. And employers have finally begun to notice that this group is growing.

With extensive help and frequent-flier miles, Breyer has maintained her sanity, her job — and her 82-year-old aunt's independence. She gives IBM and its elder-care program credit for all three.

Breyer was able to assess her aunt's condition and locate social services in New York City with the help of Work Family Elder Directions, a Watertown, Mass., company that runs the IBM program.



FCJ: Jones

## **SOME COMPANIES ARE MAKING IT THEIR BUSINESS TO HELP**

She received the names, fees and locations of housekeepers and cleaning companies. She has arranged frequent leaves of absences for trips to New York. And she has never had to worry that these distractions were damaging her career.

"IBM's attitude is, 'We know it's difficult and we'll give you (the assistance) you need,'" she says. "Of course, it's made me feel even better about IBM."

About 300 corporations have instituted elder-care benefits for employees. Since 1988, another 6,000 companies have contacted the American Association of Retired Persons (AARP) for its information package — "Caregivers in the Workplace" — for tips on elder-care assistance programs.

Congress may make elder-care benefits even more widespread. Despite a threatened presidential veto, the House and Senate have passed legislation guaranteeing nearly half the nation's workers up to

Continued

# MAKING ELDER CARE THEIR BUSINESS

## FROM PAGE ONE

12 weeks a year of unpaid job leave to care for elderly family members. Bob Mint, a spokesman for Aging Resources Management Inc., a Bronx company that markets "premium service for executive caregivers," predicts that the growing demands on career people will make elder-care programs "the benefit of the 1990's." Heath, an elder-care specialist for the AARP, says: "Over the next several years, long distance caregiving is going to emerge as the issue for employees. It hasn't quite clicked yet."

There are many reasons why the issue will command attention. The changing role of women, fractured family ties and growing numbers of dual-career couples all have contributed to making elder care an issue for employers.

### Postwar generations

Another major factor is the sheer size of the post World War II generation, whose members are now faced with caring for aging parents and even grandparents.

In a survey of employees of The Traveler Corp. in Hartford, Conn., 36% of those doing the caring were between the prime work ages of 30 and 40. In all, an estimated 25% to 35% of the work force is caring for aging relatives. While women have traditionally taken on such responsibilities, men now are performing 58% of the care.

"This is very much a baby boom issue," says Michael Creedon, director of corporate programs at the National Council on the Aging, a coalition of organizations that serve the elderly. "It's a product of the aging of the boom couples who have a child in school, two careers that they're trying to move forward and parents."

Says Barbara Lepis, director of the programs for Eldercare at New York City's Department for Aging: "For the first time in our history, a 40-year-old couple has more parents than children and, because of marriages and divorce, they may have six or eight grandparents."

### Working with the city

Elder-care benefits vary widely. In New York City, for example, a company must work with the Department for the Aging to help find social services for relatives of employees.

Pepisco Inc. holds periodic brown-bag lunch seminars on such topics as "How to find help for your relatives" and enables employees to set aside



DALE THOMPSON/DAILY NEWS

Continued



### What kind of help can the Partnership for Eldercare give you?

- The Partnership for Eldercare will
- help you work out specific problems through a special counselor you can call
  - help you to locate available services such as home care, meals on wheels, transportation, residential placement, mental health services
  - help you find out more about Medicare, Medicaid and other benefits
  - help you assess your situation and determine exactly how they can be helpful
  - provide guidance on hospital discharge planning
  - provide guidance on legal and financial issues

### What if your relative lives in another city?

Even if the elderly relative or friend you are caring for is hundreds of miles away, the Partnership for Eldercare can often help you contact the appropriate local agencies to arrange for necessary services.

### What if you aren't yet involved in eldercare?

Even if you are not now involved in caring for an elderly individual, we urge you to take advantage of the seminars, informational events and other educational activities we offer you through the Partnership for Eldercare. By learning about available services now, you will be better able to plan for the future.

### Does the company keep a record of what services each employee uses?

All contacts with the Partnership for Eldercare are confidential. They will let us know how many employees use the service, but the names of specific employees are not released.

### What does it cost?

Partnership for Eldercare services are available to employees of our company at no charge whatsoever to the employee.

### How do you contact the Partnership for Eldercare?

To reach an eldercare specialist at the Partnership for Eldercare, call

**NEW NUMBER  
212-442-3113**

For further information on how to participate in seminars or in other aspects of our Partnership for Eldercare program, please call:

(Human Resources or other in-house employee assistance number)

Your Company Name

M

ore and more adults today are involved in caring for elderly parents or other relatives, or for close family friends. What may help is to know that, as your employers, we are offering some practical assistance.

Our company has joined the Partnership for Eldercare, a program conducted by the New York City Department for the Aging. The Partnership for Eldercare can give you information about the many services for the elderly that are available in New York City, and can also tell you how to go about obtaining them. There is absolutely no charge to you for this assistance, and all contacts you have will be kept completely confidential.

In addition to providing help with specific problems, the Partnership for Eldercare offers a variety of individual and group educational programs to assist you if you are already involved in eldercare, or to help you to anticipate and prepare for future needs. So even if you are not involved in eldercare at the moment, this program has much to offer you.

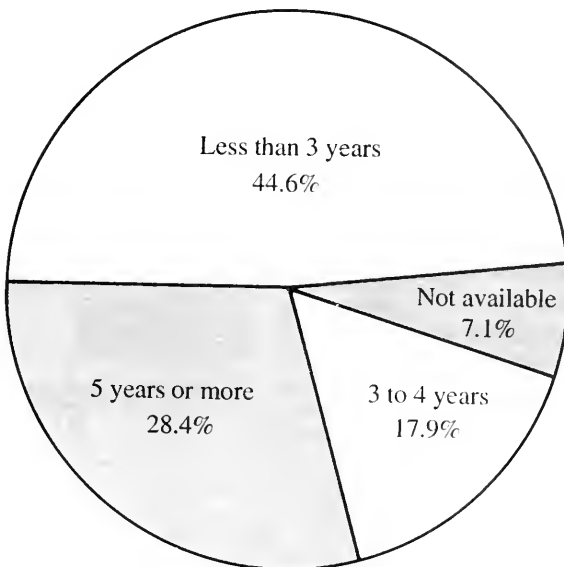
# ELDERCARE



## The Research Project

The Partnership for Eldercare Research Study is documentation of the program's experience during its first two years. Carried out under a grant from the Robert Wood Johnson Foundation and published in October 1990, the Research Study is the first such analysis of an actual, working public-private partnership of this nature. What follows are highlights of the study.

### Years Spent in Caregiving by Service Users



## Characteristics and Needs of Employed Caregivers

Users of Partnership for Eldercare services ranged from top management to support staff and included pre-caregivers as well as current caregivers:

- More than 60% were females, 50 years of age or under and currently involved in caregiving.
- Years spent in caregiving ranged from fewer than 3 years (44.6%) to more than 5 years (28.4%).
- 16.6% had elderly relatives living with them.
- 33% were caring for relatives living outside of New York City.
- 29.2% were professional staff.
- 20.1% were managerial staff.
- 29.9% were support staff.

Issues of greatest concern to caregivers were homecare, Medicaid and long-term care.

- 58 % of caregivers felt caregiving responsibilities caused problems at work.

- 40% of calls for information were regarding long distance caregiving
- 36% of caregivers needed more than one service; 20% needed four or more types of service.
- 17% of requests for assistance concerned a crisis situation; 83% concerned ongoing problems.
- 78% of those calling for assistance were current caregivers; 22% were pre-caregivers seeking to avert crises.

An overwhelming majority of employees expressed satisfaction with Partnership for Eldercare services.

- 76 percent of employees using individual services had a specific service need.
- 95 percent of caregivers felt employers should offer eldercare services to employees.

### Additional Data Based on a Sub-Sample of Service Users

- 59% of caregivers visit the elderly for whom they care two or more times a week
- 63% of caregivers live in the same general local area as their elderly
- 21% of caregivers are long distance caregivers

### Impact of Caregiving as Reported by Service Users

|                 |     |
|-----------------|-----|
| Job problems    | 27% |
| Lack of time    | 27% |
| Personal stress | 21% |
| Family demand   | 14% |
| Exhaustion      | 11% |

## Employer Perspectives

Partner organizations became aware of the need for services through information regarding demographic trends, personal and peer experience, anecdotal information and internal company experience. Management saw an ongoing eldercare program as a direct means of

- supporting employee productivity and retention
- improving morale and employer-employee relations
- providing employees with a resource for negotiating the human services system
- enhancing existing benefit programs
- producing information on working caregiver needs for use in planning future programs

Partner organizations were central corporate headquarters and public agencies.

- All were predominantly white collar with professional, managerial and clerical staff.
- Two public agencies had a small proportion of blue collar.
- Employees were generally under age 45, with male:female ratios varying considerably.

Partners agreed that scheduling activities according to the needs of the workplace enhanced program effectiveness.

- The best times for reaching and serving employees were before and after working hours and at lunch hours.
- Training and presentation sessions for employee assistance, human resources and personnel staffs were scheduled during working hours as part of ongoing job training and responsibility.

## Conclusions

The findings of the Partnership for Eldercare Research Project support the following conclusions:

- Eldercare as a workplace service is valuable to employees and employees will use it.
- Eldercare services should be addressed to both pre- and current caregivers.
- Programs with a flexible service model that permits employers to select those services best suited to their respective needs are most effective.

For a copy of *The Partnership for Eldercare Research Study* and the guide, *Establishing A Partnership for Eldercare*, contact:

The Partnership for Eldercare  
The New York City Department  
for the Aging

280 Broadway  
New York, NY 10007

~~212-577-8631~~

**NEW NUMBER**  
**212-442-3113**



**A**s more and more Americans continue to live longer, every employer and every member of the labor force, from top management to support staff, can expect to feel the pressures of eldercare, either personally or in terms of the impact of caregiving responsibilities on employee productivity, quality of work and morale.

An estimated one in five employees in businesses throughout the country is involved in caring for elderly relatives. Some have elderly living with them. Others are caring for relatives still living in their own homes. A large percentage are involved in long distance caregiving for relatives living in other parts of the country. But regardless of the specific situation, there is no question that locating and arranging appropriate eldercare services is an enormously difficult and time-consuming process.

The Partnership for Eldercare was established in 1988 to address this increasingly important issue. A public-private pilot program developed by the New York City Department for the Aging and funded by grants from The American Express Company, Philip Morris Companies and J. P. Morgan & Co. Incorporated, it provides guidance and information regarding available eldercare services to employed caregivers in the workplace. Partnership for Eldercare also emphasizes education, through group services, to prepare families to meet future caregiving needs. A unique feature of the program is its flexibility in offering a mix of approaches, thus giving employers the option to choose any or all of the offered services according to their corporate needs.

**WHEN IT  
COMES TO  
CARING  
FOR YOUR  
FAMILY,  
AMERICAN  
EXPRESS  
IS HERE  
TO HELP.**

As part of our ongoing commitment to helping employees balance their work and family responsibilities, we are pleased to announce an expansion of our work and family program. In addition to the Child Care Information Resource and Referral Service provided by Child Care, Inc. and the Partnership for Eldercare Service, provided by the New York City Department for the Aging, employees will now have access to supplemental services from Work/Family Directions.

**Adoption Directions™**

*An information and support resource for employees who are considering adoption.*

**SchoolSmart™**

*An educational resource on school achievement, parent involvement in schools, and school selection.*

These services are designed to help American Express employees make important caregiving choices for their families.



## The American Express CHILD CARE INFORMATION RESOURCE AND REFERRAL SERVICE

**BECAUSE THESE  
DAYS, IT TAKES  
MORE THAN LOVE  
TO BE A GOOD  
PARENT.**

It's not easy being a working parent raising a family. Making the right decisions and finding the right kind of care for children can be challenging. That's why American Express offers the Child Care Information Resource and Referral Service free of charge to employees who have or are expecting children.

Whether you need help locating infant care, programs for children up to age 15, backup arrangements, or anything in between, the Child Care Information Resource and Referral Service will put you in touch with a trained referral counselor ready to answer all your child care questions. The service is here to help you make the right choices, find the right care, even help you pick up some important parenting skills along the way.

Here's how it works.

### CHOOSE THE CARE THAT BEST FITS YOUR NEEDS.

Just call Child Care, Inc. and talk with a trained referral counselor who will provide you with:

- Expert help evaluating and choosing options for child care, with assistance throughout your search.
- Free referrals to child care programs with verified vacancies in your community.
- Regular follow-up to guide you in making the right choices for your family.

### HELP IS JUST A PHONE CALL AWAY.

To take advantage of this service, you or your spouse simply need to call Child Care, Inc. at 1-212-929-6911, weekdays from 9 a.m. to 5 p.m.

**CHILD CARE, INC.**

**212-929-6911**

*Monday through Friday, 9 a.m. to 5 p.m.*

## American Express ADOPTION DIRECTIONS™

**WE'RE HERE  
TO HELP YOU  
FIND YOUR WAY.**

Adoption Directions™ is a service that offers support and assistance to all American Express employees who may be considering adopting a child, as well as those who already have adopted children.

The service provides access to free consultation, helpful publications, and specific referrals through a single toll-free telephone number. When you call, an adoption specialist will help you find the information you need, identify different types of agencies, provide private consultation, and offer support during and after the adoption process. There's no charge for using the service; however you are responsible for the fees charged for any programs you choose.

### YOU ARE NOT ALONE.

If you're like most people, you have a lot of questions that need to be answered before you can even evaluate adoption as a parenting option.

Am I too old? Am I eligible as a single parent? What is the difference between an open and a closed adoption? What about an international adoption? How much will it cost? Do I need a lawyer? And how long will it take?

Our adoption specialists will answer your questions, helping you become better equipped to make informed choices throughout the adoption process.

## American Express SCHOOLSMART™

### NOW, GETTING INFORMATION ABOUT YOUR CHILD'S EDUCATION IS AS EASY AS A-B-C.

#### HOW TO KEEP A COOL HEAD AND A CALM HEART.

Adoption is a family decision, involving many deeply felt emotions.

By getting you started on the right foot, Adoption Directions can help.

When you call, you will receive a scheduled appointment with an adoption specialist who will provide you with:

- Personalized private consultation to help you learn more as you weigh adoption alternatives.
- Referrals to licensed adoption agencies and support groups.
- Free publications and information on state regulations.
- Assistance in special circumstances.

If you already have adopted children, the service is also available to help you address any of the special issues that may come up.

#### HELP IS JUST A TOLL-FREE CALL AWAY.

To take advantage of Adoption Directions, you or your spouse can simply call **1-800-635-0606** (Voice/TDD) weekdays from 7 a.m. to 9 p.m., Saturdays from 9 a.m. to 3 p.m., Eastern Time.

**ADOPTION DIRECTIONS™**  
*An Information and Support Resource*

**1-800-635-0606**

Few things are more important to a child's future than a good education. The skills and habits developed early on can help a person succeed throughout his or her entire life.

American Express understands that parents play an important role in their children's education. That's why we make SchoolSmart™, an educational resource and consultation service, available to all of our employees and their families. Now, you're no longer on your own to get the answers you need about your child's education.

SchoolSmart is a service designed for parents of school-age children, available to you at no cost. The service provides you with:

- What you can do to help your child do better in school.
- How to get the most from meetings with teachers and school officials.
- Steps you can take to be your child's best advocate for a good education.

#### SCHOOLSMART™ HELPS PUT YOUR CHILD'S FUTURE AT YOUR FINGERTIPS.

When you call 1-800-635-0606, you will talk to an experienced education specialist. He or she is available to consult with you about everything from finding out the facts about different schools to discussing how to

best respond to your child's report card. He or she will also make available to you:

- Free publications including the valuable guidebook *How to Help Your Child Achieve in School*.
- Articles and tip sheets on specific education issues.
- Reports from SchoolMatch,™ a nationwide data base service that rates more than 15,000 public school systems and 7,000 accredited private schools.

#### ONE EASY CALL IS ALL IT TAKES.

You or your spouse simply need to call **1-800-635-0606** (Voice/TDD) weekdays from 7 a.m. to 9 p.m., Saturdays from 9 a.m. to 3 p.m., Eastern Time to take advantage of this nationwide service.

#### **SCHOOLSMART™**

*A Resource for Working Families of  
School-Age Children*

**1-800-635-0606**

**American Express**  
**ELDERCARE**  
 AN INFORMATION  
 AND REFERRAL  
 SERVICE.

The Partnership for Eldercare's professional staff provides information and consultation on benefits and services for the elderly in the greater New York metropolitan area, such as home care, nursing homes, senior centers, volunteer opportunities, home-delivered meals, Medicaid, Medicare and legal services. Eldercare staff can help you to:

- Plan ahead for eldercare concerns, to ensure that elderly relatives will receive the benefits and services they are entitled to.
- Deal more effectively with service providers by providing you with information on available resources and service limitations.
- Locate and select appropriate services by referring you to local agencies.

Eldercare does not recommend specific services but instead provides information to employees so that their families can make informed decisions about the services that best meet their needs.

All contacts with Eldercare are confidential. Eldercare will let the company know how many employees use the service, but the names of specific employees are not released. Eldercare may be able to get you started with a referral.

To take advantage of this service, call the Partnership for Eldercare at 1-212-577-1250, weekdays from 9 a.m. to 5 p.m., Eastern Time.



**KNOWING  
 MORE MAKES  
 CARING  
 EASIER.**

To use the American Express Child Care Information Resource and Referral Service, call 1-212-929-6911, weekdays from 9 a.m. to 5 p.m. This service is provided by Child Care, Inc. and is not affiliated with Work/Family Directions, Inc.

For Adoption Directions™ and SchoolSmart™, call 1-800-635-0606, (Voice/TDD)

weekdays from 7 a.m. to 9 p.m., Saturdays from 9 a.m. to 3 p.m., Eastern Time.

In addition to the above services, if you would like to speak with a counselor about your personal concerns, please contact the Employee Assistance Program at 640-2064.



The Child Care Information Resource and Referral Service is a Child Care, Inc. program. Adoption Directions™ and SchoolSmart™ are Work/Family Directions, Inc. programs. Adoption Directions™ and SchoolSmart™ are trademarks of Work/Family Directions, Inc. The Partnership for Eldercare Service is provided by the New York City Department for the Aging.

*It's important to keep in mind that these programs and services will provide you with referrals — not recommendations. While every effort will be made to give you the tools you need to help you make informed choices, the quality of provider services cannot be guaranteed, and you and your family must decide what options or resources best meet your needs and expectations.*

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## PARTNERSHIP FOR ELDERCARE

280 Broadway  
New York, New York 10007

## EDUCATIONAL SEMINARS

212.442.3113

Listed below are on-site seminars offered by the Partnership for Eldercare. The seminar includes a presentation, developed and delivered by professional staff, and related informational take home packets for attendees. Seminars can last from 50 minutes to an hour-and-a-half depending on the interest and convenience of employees.

- **YOU & YOUR AGING RELATIVES:** An overview of social, health, housing and financial/legal issues important to caregivers and their elderly relatives.
- **LEGAL AND HEALTH CARE PLANNING:** A review of the legal tools necessary to assist seniors in planning for their future.
- **MEDICARE, MEDICAID & MEDIGAP:** An in-depth explanation of these programs and how they can jointly provide total medical coverage for the elderly.
- **LONG-TERM CARE OPTIONS:** A discussion presenting care options for the elderly including homecare services and how to evaluate and select a nursing home.
- **LONG DISTANCE CAREGIVING:** An examination of the dilemmas unique to caregivers of elderly relatives living at a distance.
- **COMMUNICATING WITH OLDER RELATIVES:** A seminar aimed to enable caregivers to make the most of relations with elders and other family members.
- **CULTURAL DIFFERENCES IN CAREGIVING:** An exploration of values and attitudes held by elderly people of varying ethnic and cultural backgrounds.
- **TIPS FOR CAREGIVERS OF THE ELDERLY:** Recommendations for caregivers on how to deal with the multiple stresses of caregiving, home and the workplace.
- **COPING WITH ALZHEIMER'S DISEASE:** A practical summary of what it is, how to cope with it, and where to find financial, emotional and physical support.



## How to Be an Educated Consumer of Community Services

Every American community today — no matter how large or small, rural or urban — has programs and organizations to assist older people. Putting these programs to work for your older relative helps assure that your loved one maintains the quality of life he or she deserves through adequate care. Partnership for Eldercare will assist you in locating appropriate community resources. Listed below are tips on how you can be an educated consumer of these programs.

### Before the Initial Contact with a Community Service Agency

**Gather all pertinent information on your older relative.**

- Social Security number
- Amount of income and assets
- Date of birth
- Telephone number, address and zip code
- Insurance policies, including Medicaid number if appropriate
- Doctor's name and telephone number

**Zero in on what services are needed.** Before contacting an agency, define specifically what types of services you are seeking. Write down pertinent questions such as:

- What type of service is provided
- What are the service hours
- What is the eligibility criteria
- How much does it cost

*Partnership for Eldercare is available to help you define what services are needed and which agencies to contact.*

### During the Initial Contact

**Write down all information given to you.**

- Obtain the names of the people you speak to, their titles and telephone numbers
- Keep notes on the answers to your questions
- Write down the date and time of contact

**Ask for referrals if the program is not appropriate.** You may find that the agency you have contacted does not provide the kind or amount of help needed. Or, you may learn there is a waiting list for a particular service. In such cases, ask the staff person for information about other options you might pursue.

**Communicate clearly with the service provider.** Once you have identified a program that will provide a service, state specifically what you understand that agency will provide:

- Starting date and time
- Name, telephone number and qualifications of person providing service
- Number of hours, days, etc. service will be provided
- How service will be paid for and at what rate, if any
- How the service will be monitored

(over)

### **After the Initial Contact**

**Follow-up.** Once a service has been provided over a period of time, examine whether or not it is meeting all of your elderly relative's needs. If not, contact the agency to discuss expanding the service.

**Evaluate the Service.** If you are not satisfied with a service, tell the provider in a positive, constructive way.

If the service continues to be unsatisfactory, talk to a supervisor. If this does not produce results, write a letter to the director of the organization.

**Continue Monitoring.** As time goes on you may see that your older relative's needs change and that current services need to be adjusted accordingly. If the current service providers are unable to assist with the older person's latest needs, chances are good that another organization will be able to provide expanded coverage. Contact Partnership for Eldercare to discuss the older person's changing needs and to receive information on appropriate community services.

The Partnership for Eldercare provides free information and consultation services. Our Professional Geriatric Counselors will discuss your elderly relative's situation, direct you to the appropriate community services, help you coordinate services and will provide additional information on community agencies as the needs of your older loved one change. Situations requiring admission into a nursing home or an adult residence are more complicated and require extensive knowledge and advocacy tips. Please contact Partnership for Eldercare for special assistance.

*Call (212) 577-8631 for a confidential consultation.*

**NEW NUMBER**  
**212-442-3113**



## A Caregiver's Dictionary

People caring for older relatives or friends often hear words and phrases which may be unfamiliar. Below is a list of commonly used terms and a basic definition of each. For more specific information, call the PARTNERSHIP FOR ELDERCARE, 212-577-8631.

**ADULT DAY CARE:** Centers that provide health care, social, and other services for older adults who require daytime supervision. This is an alternative between care in the home and in an institution.

**BOARD AND CARE FACILITIES OR ADULT HOMES:** Residential care facilities that provide room and board and variable amounts of protective supervision, personal care, and other services, but not nursing care.

**CAREGIVER:** A relative, friend, neighbor, or other individual who provides care for an older person.

**CASE MANAGEMENT:** The arrangement and coordination of services provided for an individual by a social service agency, including:

- assessing the needs of an older adult,
- developing a plan of care,
- monitoring and evaluating the services,
- reassessing the situation as circumstances change.

**CONGREGATE HOUSING AND ENRICHED HOUSING:** Apartment houses or group accommodations that provide support services to older persons who do not need routine nursing care, but need some assistance in the activities of daily living.

**DRG:** Diagnostic Related Groups are a method used by Medicare and insurance companies to categorize each hospital stay based on combinations of illnesses and treatments. The DRG assigned determines the length of a patient's stay and the amount of reimbursement the hospital receives.

**ELDERCARE:** Refers to any assistance provided to a dependent older person, either on an informal, unpaid basis, or through a formal, fee-for-service basis. Assistance can include visiting, grocery shopping, preparing meals, managing finances, helping with personal hygiene, and locating appropriate residential facilities.

**ELDERLAW ATTORNEY:** Attorneys specializing in legal problems that affect the elderly including: social security and disability claims, estate planning, Medicaid and the preservation of assets to avoid spousal impoverishment when one spouse enters a nursing home.

**ESCORT SERVICE:** A service in which someone accompanies an individual to a medical appointment, or on an errand in order to provide assistance and supervision.

**GERIATRIC CARE MANAGER:** A professional practitioner whose purpose is the development and management of the social, psychological and medical health care of the elderly and their families. Services rendered include: assessment, counseling, and coordination of community services.

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Partnership for Eldercare □ 280 Broadway □ New York 10007 □  
New York City Department for the Aging

**NEW NUMBER**  
**212-442-3113**

**HOME HEALTH CARE:** Health services provided in the homes of the elderly, disabled, sick, or convalescent. The types of services provided include: nursing care, social services, home health aide and homemaker services, and various rehabilitation therapies (e.g., speech, physical, and occupational therapy).

**HOME HEALTH AIDE:** A person who is paid to provide health-related services in the home. The services provided by a home health aide may include assistance with medications and exercise, assistance with personal care (e.g., bathing, dressing, and feeding), and light household tasks.

**HOMEMAKER:** A person who is paid to provide non-health-related in-home services, such as, household tasks, meal preparation, and shopping.

**HOSPICE CARE:** Medical, nursing, counseling, and other supportive services given to terminally ill people and their families. It is intended to improve quality of life rather than to cure disease or extend life. Hospice care can be given in the home, a special hospice facility, or a combination of both.

**LONG-TERM CARE:** The medical and social care given to individuals who have severe, chronic impairments. Long-term care can consist of care in the home, by family members, assistance through voluntary or employed help (e.g., as provided by established home care agencies), or care in institutions.

**MEALS-ON-WHEELS:** A program that delivers meals to the homebound.

**MEDICAID:** A joint Federal/State program intended to provide medical, nursing home, and home health care for individuals who meet the eligibility requirements for those services. Medicaid regulations are established by each State within Federal guidelines, but the eligibility requirements and services covered vary significantly among the States. Medicaid provides coverage for *acute and long term care*.

**MEDICARE:** A national health insurance plan for people over 65 and for some disabled people under 65. It includes two parts: part A covers hospital costs and some skilled nursing care; part B is the supplemental portion (for which the insured pays premiums) covering a portion of the physician's fee as well as various types of therapy. Medicare provides coverage for *acute care only, not long term or chronic care*.

**MEDIGAP OR MEDICARE SUPPLEMENTAL INSURANCE POLICY:** Insurance that pays for the health care protection which Medicare does not provide or does not completely cover, including annual deductibles and the 20 percent co-payment of Medicare-approved fees.

**NURSING FACILITY OR NURSING HOME:** A residential facility where 24 hour nursing is provided with a physician on-call to furnish medical care in case of emergency.

**RESPIRE CARE:** Any short-term services that are intended to provide temporary relief for the primary caregiver of an impaired person. Such services may include in-home companion services, in-home personal care, adult day care, or short-term (e.g., overnight) stays in a nursing home or other residential facility.

**SENIOR CENTER:** A community facility for elderly people providing various activities: recreational, educational, cultural, or social. Some centers provide adult day care, meals, health screening, and limited health care services.

**SUPPLEMENTAL SECURITY INCOME (SSI):** A Federal income support program administered through the Social Security Administration, that provides a monthly payment for disabled, aged, and blind people with incomes below a specified level. The levels and amounts vary significantly among the States.



## Managing Stress Tips for Caregivers

**You Will Be A Good Caregiver When You First Care For Yourself.** Caring for an aging parent or loved one creates demands on time and attention, which often conflict with job responsibilities. Caregivers will usually strive to meet the demands of their job and their older loved ones at the expense of caring for their own needs. It is important for caregivers to take time for themselves in order to avoid a build up of stress. If not managed appropriately prolonged stress will negatively affect physical and mental health, as well as work and personal relationships. Twenty-five percent of caregivers report developing some kind of illness linked to stress, such as hypertension, ulcers, back pain, migraine headaches and heart disease.

Caregivers who have spent much time caring for a relative who is becoming more and more frail often feel that they cannot manage their stress and wonder how they will be able to go on. It is not surprising that stress is identified as a primary problem by most caregivers. Are you, like many caregivers, experiencing symptoms of stress?

### 10 Warning Signs Of Stress

1. Trouble sleeping/waking up tired
2. Feeling irritable over small annoyances
3. Suffering numerous aches and pains
4. Being impatient with others
5. Smoking, drinking or eating too much
6. Easily distracted, trouble listening
7. Unable to concentrate
8. Feeling overwhelmed
9. Feeling anxious
10. Not enjoying usually pleasurable activities

**Stress Can Be Managed...** if you are willing to recognize it;  
if you are willing to address it.

The time and effort you give to relieving stress may be your most valuable investment in caregiving, as caregivers "burnout" is not only damaging to yourself, but robs your elderly relatives of crucial support.

### Begin By Facing Realities

- Let go of unrealistic and frustrating expectations
- Acknowledge your limitations
- Accept your feelings -- both positive and negative -- they're all normal.

### Focus On Solutions To A Given Problem

- Seek advice from professional groups, such as Partnership for Eldercare
- Make lists of options
- Revise schedules
- Draw a "game plan"
- Imagine a positive outcome.

### **Take Care Of Yourself**

- Get plenty of sleep
- Eat a proper diet, avoiding caffeine and sugar
- Exercise regularly, such as walking or jogging
- Practice deep breathing exercises.

### **Make Time For Yourself**

- Close your eyes for a few minutes a day and visualize a beautiful relaxing scene
- Enjoy simple pleasures, such as listening to music or reading a good book
- Take a hot bath or shower
- Write your thoughts and feelings in a journal
- Spend a few hours with a friend sharing a favorite activity
- Eat dinner out with someone you love.

### **Become Involved With Short-Term Enjoyable Activities**

- Develop new skills or refine old ones through a craft or hobby
- Find a project around the house that you can do from start to finish
- Participate in group activities, such as a play, a choral recital or a book club.

### **Seek Help From Others**

- At home - practical and emotional help from family members and friends
- At work -- understanding from supervisors and co-workers
- In the community -- services and support systems.

### **Call The Partnership For Eldercare 212-577-8631**

- To help you work out specific problems through a special counselor
- To help you develop a list of options and recommend a plan of action
- To help you to locate available services such as home care, meals on wheels, transportation, residential placement, respite care, mental health services and support groups.

*Acknowledging And Managing Stress Can Enhance Your Performance As Caregivers, Employees, Spouses, And Parents And Increase Your Enjoyment Of Life.*



## Communicating heart to heart:

Speaking and listening strategies for caregivers.

When we communicate, we give and we receive. We transmit our thoughts and feelings to another and we pick up the other's message to us.

We may think of words as the major vehicle of this exchange, but we have only to consider the impact of a loving look or a gentle touch to realize how many ways there are to send a message! We rely as much on tone of voice, facial expressions, body movements or gestures, physical contact, and even silence, as we do on words in relaying and receiving messages.

When we are caring for aging parents or relatives, these messages take on special importance. They not only keep us "tuned in" to physical circumstances and needs, but they also play a crucial role in the emotional well-being of elders and caregivers alike.

We can maximize the honesty, openness and effectiveness of our communication with our aging relatives. The benefits of doing so are beyond calculation: reduction of stress, increase in mutual understanding, greater ability to face challenge or crisis together, and a heightened sense of shared experience.

It is never too late to break out of the old patterns that may be impeding a revitalizing exchange of thoughts and feelings. We have only to make a beginning...

*We can be aware of physical obstacles.* It may be helpful to start by identifying any physical problems that could interfere with communication. Hearing impairment is the most common of these; it affects nearly 40% of those over 75. Your Eldercare professional can help you find sources of medical attention, rehabilitation, and equipment -- such as telephone devices that can aid communication with long-distance caregivers.

*We can learn new techniques.* We may find that some very simple techniques can open the way to richer communication: for example, we can intensify our listening by repeating in our own words what our parent has just said to us. This focuses us on the words rather than on our responses to them and also lets our parent know we have really heard. Another effective strategy is to slow down the pace of our own speech to match that of our parent. Since thinking and speaking occur at the same rate, we may overwhelm our parents by speaking more quickly than they do. Slowing down avoids confusing them and undermining their confidence.

*We can look inward.* Beyond the "technical difficulties" of communication, there may be some deeper emotional issues. Often our underlying intention determines how we hear and respond to our parents. If our purpose is to convince, or to encourage conformity with our view of what is best for them, to talk them into or out of something, or to win our point, chances are it will be difficult for us to hear what they are saying. When our intention is to learn, to discover, we can be truly receptive. When we are busy protecting our position, we cannot.

Partnership for Eldercare ☐ 280 Broadway ☐ New York, New York 10007 ☐  
New York City Department for the Aging

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***We can cultivate our antennae.*** It helps to look beyond our parents' behavior and remarks for clues to what they are really telling us (or not telling us). We may have to study them to find out what they want for themselves and what they need from us. Our sensitivity to their "signals" -- facial expressions, "body language," silences, and "meta-talk" (the message behind their words) -- can help us see their real motives and understand them.

***We can accept emotion.*** Trying to shield our parents from the experience of emotion may sometimes block real communication. Ignoring or denying the validity of their feelings (for example, by changing the subject when they are distressed) may make them feel isolated and misunderstood. The only way to help heal a hurt -- or share a joy! -- is to understand and accept it. Letting parents know we are ready to listen if they want to talk about their feelings is a creative and constructive response. After all, our feelings confirm that we are alive and human!

***We can reach out and touch.*** Sometimes the most sincere and comforting response to our parents' message may be wordless: holding a hand, patting a shoulder, exchanging a look or a smile. We can't have all the answers, all the solutions, no matter how hard we try, but we can respond sensitively and humanly, as we would to dear friends we respect.

***We can say no.*** It is important for us to remember, for our parents' sake and for our own, that we can't fix everything. There may be times when we must say no and incur our parents' disappointment and anger. We must respect our own limits -- of time, energy, and so on -- and accept them without guilt, because guilt cripples our ability to be open, to understand, and to help.

***We can be patient listeners.*** We serve an extremely important function for our parents when we simply listen. When we let them tell us what's on their minds, even when we've heard it many times before, we help reduce their stress. "Talking about it" can alleviate tension and worry and give valuable reassurance that things are "OK."

***We can enjoy each other!*** We don't have to limit our talks with our parents to current concerns or problems. We can encourage them to talk about the things that give them pleasure -- their hopes, hobbies, interests, the "good old days," how to make or do something. We can let them teach us, ask their advice, benefit from their lifetime of experience. And we can encourage our children to enjoy the precious link they give us to our family and its history.

Many older people feel the scope of their lives diminishing. They find themselves dealing with all too many limitations. Their abilities, their activities, their finances, their circle of friends may all be shrinking.

We have a marvelous opportunity to reverse this trend in the area of communication. We can open up a new world of giving and receiving by sharing with our parents a deep and meaningful exchange of thoughts and feelings.

With patience and practice, we can become better listeners, more sensitive communicators, and wiser observers of ourselves and others. The benefits to our parents may be just the beginning.



## Planning a joyous holiday season with your elderly relative

*The holiday season brings both extraordinary opportunities and extraordinary demands.*

For those who care for elderly family members, this period of reunion and rejoicing can be particularly stressful. But realistic expectations, good planning and a flexible attitude can minimize pressures and maximize holiday enjoyment for elders and caregivers alike.

- **Involve each older member of the family.** Begin by taking plenty of time to talk with your elderly relatives about the holiday. Find out what means most to them, what makes the holiday special from their point of view. Then make them partners in designing the family celebration. Being asked for advice affirms dignity and importance for people of all ages and is particularly meaningful to elders.
- **Accept what is.** Concentrate on the things that can be improved; avoid wasting time and worry on things you cannot control or change.
- **Plan realistically and wisely.** Consider the abilities and needs of your elderly loved ones.
  - alternate busy days with quiet ones;
  - plan holiday meals and visits for the elder person's peak hours;
  - be sure that homes, restaurants, theaters, etc., that you plan to visit have accessible entrances and bathrooms;
  - watch for schedules of holiday activities in your community-- many may be accessible, enjoyable and free;
  - delegate as many holiday responsibilities as you can in advance-- don't wait for someone to offer help at the last moment and don't exhaust yourself by trying to handle everything.
- **Make adjustments.** Family traditions enrich the holidays, link present with past, and emphasize our belonging. Be aware, though, that some changes may be necessary. Perhaps baking hundreds of cookies or serving six courses at your holiday meal will overwhelm you this year. Scale down, re-think, and improvise! Then you'll have the energy and spirit you need to enjoy the best of your family's traditions: the sharing of a special holiday dish, the singing of a nostalgic seasonal song, the reading of a classic story, or the re-telling of an old family tale.
- **Be creative.** Choose gifts that fit the circumstances and tastes of the elderly person.
  - Family photographs and albums keep loved ones up-to-date on family activities and enrich hours spent alone or with friends.
  - Calendars can be beautiful as well as practical ways to stay oriented in time and look ahead to visits, appointments, and outings.
  - Stationery and stamps encourage maintaining contact with friends and relatives far away.
  - A hair care or skin care appointment can be a revitalizing gift.
  - Intriguingly designed mobiles add color and movement to the environment of ill or homebound elders.
  - Slippers, gloves, wallets, purses, hand mirrors, combs, or playing cards may be appropriate. Again, talk to the elderly person to discover what would be most welcome.

- **Take care of yourself.** Ask for help. Accept it when it is offered. Take advantage of adult day care or in-home respite care programs. Give yourself a gift of time; use the hours for rest and relaxation--not for worry. Believe in yourself and in your efforts to support your elderly relative. Don't hesitate to say no to demands that are unreasonable or unrealistic, whether they come from someone else or from yourself. Find out about resources your community offers, such as support groups for caregivers.

### **Home for the holidays**

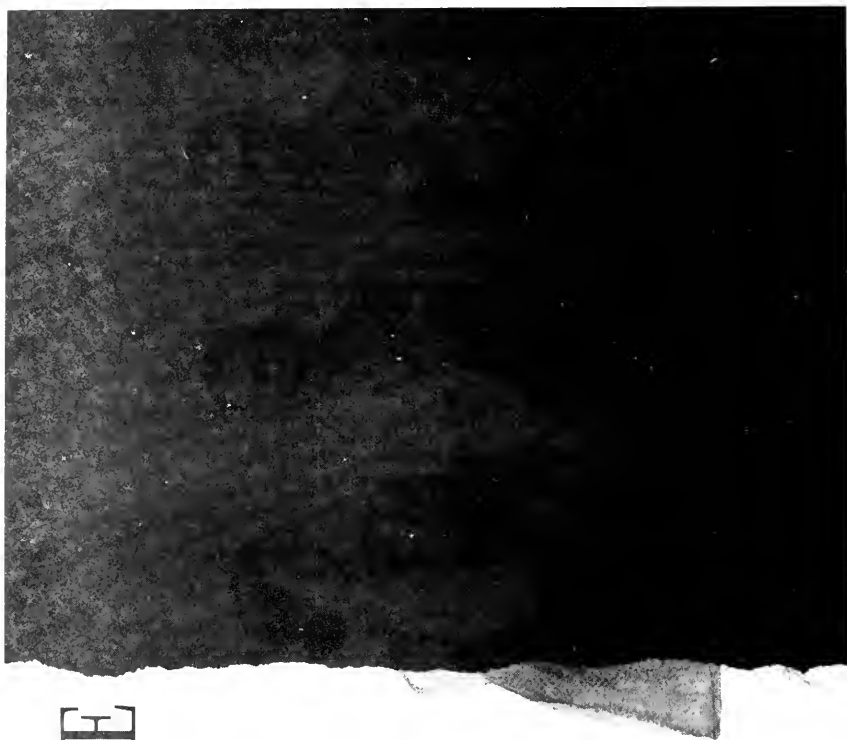
If home is where the heart is, you and your loved ones can be there this holiday season. You can go home to your significant holiday traditions, those that bring you close to one another, without sacrificing the tranquility that should also be part of the season. Involve your elderly parents or relatives as central figures in the holiday celebration itself. Encourage them to share their memories. Their reminiscences and reflections can reinforce the history and identity of the family and affirm their continuing importance in the group.

### **Happy holidays from the Partnership for Eldercare!**

*We invite you to share your concerns with us during the holiday season and throughout the year.*  
**Telephone: (212) 577-8631**

# ELDERCARE

whether  
it is  
a problem  
today  
or a  
concern  
for  
tomorrow





Chairman MARTINEZ. Thank you, Ms. Katersky.

We probably should have had this hearing before I asked for the GAO report. The questions that I would have asked them to answer would have been more broad. As I have been listening to the testimony, several things have become very apparent to me.

One is that our mandate in the law is to serve those people with the greatest economic and social need. It would seem that because corporations are providing information for their employees, and their employees would seem to be well off because they are employed—they have a job and at least are making a living—somehow we are not reaching that targeted population. This struck me all of a sudden.

The aged for which they are caring might be parents or might be relatives who no longer work, who are living on a fixed income, who certainly have great economic and social needs. This Newsweek cover says, "The average American woman spends 17 years raising children and 18 years helping aging parents."

I just happened to think that when my dad retired, having been in business for himself most of his adult life, he did not have any pension from any company and just depended on the social security that he received. He was by no means well off. I, on the other hand, who had five children and bought each of them, when they were 16 years of age, a brand new car, was certainly well off.

I had a responsibility to take care of him, and he had great economic and social needs. So somehow it gets lost in the GAO report that what you are doing is providing the service that we are asking to be provided.

One of the things, Ms. Stahl, that you said in your testimony is the benefit for the area agencies on aging is that they have access to more resources that enable them to broaden both the range of services they offer and the base of elders they serve. I wanted you to elaborate on that, because that is one of the accusations of the GAO report, that it really does not do that. I think it is because they looked at it in very narrow terms. I take full responsibility because the questions were asked in a very narrow way.

Ms. STAHL. I agree. I think that is an issue of breadth, in looking at what public/private partnership actually means. What I had in mind when I made that statement was, are the programs that we have funded through area agencies on aging to build up in-home volunteer services?

In each of those cases, our grants enabled those agencies to recruit additional volunteers to provide a wide range of services that they were not currently able to offer, and they offered these services not only to AT&T employees but to the community at large. That, in particular, is what I meant by broadening the base of services and broadening the base of elders served.

Chairman MARTINEZ. I think that is critical. I think that each of you, in your testimony, indicated that, in your minds at least, you are providing services that do enhance the ability of the area agency on aging to deliver broader services and expand the population they are serving.

The more important part, and I have to come back to it, is that except for the unusual, you are getting serviced the population we target in the legislation.

Ms. PHILLIPS. Mr. Chairman, could I just comment. Area agencies on aging are mandated to provide information and assistance programs to everybody in the community. We are fortunate, in these communities, to have these companies. However, area agencies provide this service. This other level of service, which through these companies we can form relationships to develop, are extremely advantageous in those communities that are served by these companies.

I need to stress again for the Administration on Aging, as they look at encouraging partnerships, to recognize that corporate eldercare is not the only partnership that area agencies should have to rely on.

Chairman MARTINEZ. Absolutely.

Ms. PHILLIPS. Also, I want to comment on Mr. Child's comments about the area agencies on aging being free to enter into relationships with business. I think there is a real tension between area agencies around the country in trying to continue to maintain the level of service that they are now giving, which, as we know from our budget deliberations, is going to remain flat for 5 years, in spite of this growing population.

They are expected to remain at that level of service and then serve another entity, which is the corporate sector, in these kinds of creative partnerships. So the tension remains. How can we not divert ourselves so that we can get to the targeted population. As the assistant secretary mentioned, the targeted population is going to be increasingly frail, minority, home-bound, and poor. So I want to mention a situation and a tension that exists when we look at developing partnerships with business.

Chairman MARTINEZ. Thank you. While we are with you, one of the things that Mr. Childs said in his testimony was that area agencies need to think like a business if they intend to do business with business. In your background, you were a marketing researcher. Did that help you in developing this kind of a program you developed there, that business experience?

Ms. PHILLIPS. Actually, my background is association management. Before coming to the county, I worked for the National Council on the Aging in marketing. However, what I found in Montgomery County, as well as in area agencies around the country, is that their focus has been providing services. They have not been trained to market services. They have not been trained to do business consultation.

So when the Administration on Aging says, "Go forth and develop partnerships," we are looking at social workers and social service people who have been told to be wary of business. That is the gap that exists, the gap between the desire to do something but lacking the ability to know how to do it, especially to keep up with the tenets of the Older Americans Act and its mission.

The area agencies really do need help in that direction through the funding of the Washington Business Group on Health and the American Society on Aging. I would like to commend the American Society on Aging because they have developed some tools to help area agencies become more "businesslike." However, again, the focus has been on corporate eldercare. My sense is that this focus is too narrow to include all the area agencies in the country.

Chairman MARTINEZ. I agree with you. I think one of the things the Secretary said is that there is not a blueprint in place, and he intends to provide a blueprint by which we might define and clearly move ahead in some of these areas to do more public/private partnerships, other than with corporations. I do not think that we have ruled the corporations out. They are a very vital and necessary part of this.

Your statement, Ms. Stahl, in another part of your testimony is, "At AT&T, we believe business can play an increasingly important role in building our Nation's capacity to respond to a growing older population."

This is the capacity you are talking about. At flat funding, we are going to have a dire need of funds, especially since that population is growing. I think this really comes into play here.

Ms. STAHL, you said: "Our intention is not to divert the aging network from its primary purpose to serve the frail elders, the socially and economically disadvantaged. Rather, our intention is to strengthen the agencies' capacity to fulfill that important mission by developing projects that serve the overlapping needs of employee caregivers and the community at large." Would you like to elaborate on that, please?

Ms. STAHL. I do think your point was right on target, when you pointed out that the populations are not necessarily different populations. When you look at employed caregivers, the families of employed caregivers, and the target areas of the area agencies on aging. I do think that there is an intersection of need between the basic community needs for eldercare services and the kinds of programs that corporations are looking to support to help their employees balance their work and family lives and get to work.

I think we need to explore that intersection of needs. I think the appropriate thing for businesses to do is to fund the kinds of programs that support those sorts of projects that reside in that intersection of needs.

Chairman MARTINEZ. I have about 6 minutes to make that roll call, but I want to go on because this is a very important dialogue we are carrying on here.

The journal is the vote on the previous day's journal. In the 12 years I have been here, it has never failed to pass. It is somebody's idea of disrupting things and having people run to the floor and cause that vote. They know most members will do it because it counts against their voting record.

In this particular case, because I want to finish with this panel and not hang them up while I go and vote, I want it on the record that I think this hearing and the dialogue that is taking place here between the witnesses and the Chair is more important than that journal vote.

If one of my opponents likes to look at my voting record and say, "Oh, he missed these votes," I want it known that the only votes I miss are unimportant votes, such as the journal vote, which has never failed and which is never called every day. It is only called when somebody gets a notion that they need a journal vote, for whatever reason. So I am going to miss that journal vote.

Ms. Katersky spoke of volunteers that came forth and built a senior citizens' center. I am very familiar with building senior citi-

zens' centers. One of the goals that I had when I was elected to the city council in Monterey Park was to see a senior citizens' facility developed. We were able to do that through a redevelopment agency, and I demanded that three things be included in the prospectus for that bond sale.

The senior citizens' center, a major school gymnasium, and the Brightwood School cafeteria were community needs for the 17 years that I had lived in that community, and we had never found a way for the school district or the city to deliver either of those facilities. We did it in that redevelopment agency. We did not do it with volunteers, which would have been great, although the Rotary Club did volunteer to refurbish the old facility that existed. As good a job as we did, it still was not sufficient to meet the needs of the senior population there. So I was very intrigued by that part of your testimony.

That is another benefit that was not measured by the GAO report. In terms of costs and dollars in developing that senior citizens' center, what would you say went into that?

Ms. KATERSKY. I will be honest. I do not know.

Chairman MARTINEZ. I imagine it was considerable.

Ms. KATERSKY. There were about a dozen employees who volunteered their time, after work and on weekends, over a period of several months to accomplish the work.

Chairman MARTINEZ. I know that when we refurbished that senior citizens' center in Monterey Park, they did figure out the cost. It worked out to about \$28,000, which is a cost that is not included as a benefit in the cost studies of the GAO report.

Mr. Childs, with your company, the things that you have done, and the improvements you have made to situations in area agencies, do you have any idea of what it would cost if you netted it out?

Ms. Phillips, you referred to anywhere from \$50,000 to \$60,000 worth of services that were provided in Montgomery County, which is an identifiable amount of money.

Ms. PHILLIPS. I talked about a partnership we developed with a county business that would have cost us \$50,000 or \$60,000 to do ourselves, yes.

Chairman MARTINEZ. That was a benefit that was not measured.

Mr. Childs, in your experience, with some of the benefits that you have provided to area agencies on aging, do you have any idea or rough estimates in any particular instances?

Mr. CHILDS. No, sir, but I would frame my answer with more than a yes or no. I would mention, first, particularly in response to something that Deborah said, the infrastructure. One of the things we have come to realize, and what you see in our programs, is that we have understood that we cannot go into business ourselves to solve any of these problems that our people have.

What we have to do is not only find services that respond, but we have to build the infrastructure up. We cannot do it in a way that only targets our people. We have to do it in a way that will benefit the community at large. Therefore, our people, in an ongoing way, and other people will benefit from that investment.

That would lead me to the second comment. I never go into our board room to talk about these issues unless I say something very

simple: this is a low-cost, high-yield strategy. I continue to want our senior executives to understand that when I talk about spending money, I want them to compare it to major benefits costs, such as health programs. This is an investment that is also a protection. We are spending money now to avoid spending money later.

I cannot tell you that it costs \$10,000 or \$60,000. I can tell you that when you compare it to the other options we have for spending money, it does not compare in terms of some, but it certainly compares in terms of results.

Chairman MARTINEZ. The only reason I bring up the idea of costs is, that seems to be a central focus of the GAO study on what the people who have public/private partnerships face, in terms of the costs and losses they listed there. Measuring that profit is the thing that sometimes is intangible, but it is there if you really look at it.

Mr. CHILDS. I would also urge that as you survey again or develop new question processes or procedures, not only do you question the AAAs but, in addition to having us in a hearing format, give us something in writing that we can respond to, those companies that have been involved with AAAs. Give us a chance to help you develop the data that provide the framework for your study information.

Ms. PHILLIPS. I noticed also that Mr. Childs alluded to the percentage of AAAs you contract out with: 20 percent or 25 percent.

Mr. CHILDS. Twenty percent of the 175.

Ms. PHILLIPS. I am wondering if they were reflected in that GAO report. If they were, and what that GAO report cites as \$660 on the average, there seems to be something incorrect there, if 25 percent of Mr. Child's 175 communities are AAAs.

Mr. CHILDS. Let me say that the three of us are all involved with the same company, Work/Family Directions. This average of four per month is rather baffling to us. Our people are using this service extensively. As I said, 30,000 IBM families around the country have used the services since we implemented it in 1988. They are not all using services facilitated via AAAs, but 30,000 is a lot of people over a 4-year period.

Chairman MARTINEZ. What we need you to do, and we will keep the record open for you to compile that information, is to get us your reflection on how many people were served. And the other idea of your contracting out to these agencies, that amount of money. When you contract out, you pay those area agencies on aging a fee for that service; is that right?

Mr. CHILDS. The way we operate, sir, is that each of our companies—and we are the three individuals who signed the contracts—has one contract with Work/Family Directions. Work/Family then has contracts around the country to support those relationships. In our case, it is 175.

No matter where you live in the United States, if you are an IBM employee, there is some local number that you can call for assistance. As an example, I live in New York, but my mother lives in Tampa. If I have to use the service, I call Tampa for help.

Chairman MARTINEZ. If you can, provide us with the amount of money that is involved in that.

I want to thank you again. As I said, we should have had this hearing before we asked for the GAO report. Never mind, because now it is a matter of record, and the further information you give

us will be a matter of that record. The next time we ask for a GAO report on this, we will be able to ask questions in the way they need to be asked so that we can get the kinds of answers we need.

Thank you very much. We are now adjourned.

[Whereupon, at 11:25 a.m., the subcommittee was adjourned, subject to the call of the Chair.]



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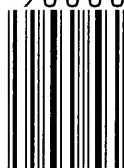
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